

STATE OF TENNESSEE

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The Budget

FISCAL YEAR 2003-2004



Phil Bredesen, Governor

STATE OF TENNESSEE



The Budget

FISCAL YEAR 2003-2004



Phil Bredesen, Governor



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Governor



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March 10, 2003

To the Members of the 103rd General Assembly:

I am honored to present to you the recommended 2003-2004 Budget for the State of Tennessee.

This is a transitional budget. It moves us away from the years of emotional debate about how much to tax or how much to cut, focusing instead on managing government within our means and on setting priorities for services provided to the people of our state. Looking at the budget this third way is not easy. But it is necessary; and the people expect us to do this, because that is how most of them lead their lives and conduct business.

And this third way will lay a solid, common-sense base from which we can address our common priorities -- education of our children, public safety, economic opportunity, public health, and environmental conservation.

Budgeting, reduced to its essence, is a matter of estimating the revenues available, setting priorities, and allocating the resources among those priorities on a fair basis. We probably can agree on the first matter without much debate: with advice from the State Funding Board, I am recommending conservative revenue growth estimates. This, along with recognition of some high-priority needs for K-12 education, health care, and other mandatory program improvements, requires that we revisit the base budget and reduce it in an equitable manner.

The base budget reduction plan that I am submitting to you in the Budget Document provides for a 9 percent reduction in discretionary appropriations from general fund tax sources. Both the Legislative and Executive branches share in the 9 percent reductions, as do higher education, the highway fund, and the cities and counties fund (state-shared taxes).

Decisions on these reductions follow extraordinary, open hearings during the budget development process and program-by-program review of the budget. Certain programs by their nature are held harmless from the base reduction, including the K-12 Basic Education Program, mental retardation programs, mental health community programs, almost all of children's services, regulatory programs funded by dedicated industry or business fees, and other programs funded by dedicated tax sources that would not benefit the general fund. Homeland security is

given special consideration; the Court System, district attorneys general, and public defenders system are held harmless at a 2 ½ percent reduction.

Grant programs that you have reviewed each of the last two years are continued with a 9 percent reduction. A few other programs were reduced on a different basis: the extended contracts portion of the career ladder program is eliminated from the base budget; savings resulting from the previously legislated career ladder phase-out are reduced from the budget; payments to non-contract local jails are reduced from \$35 to \$29 per day for housing state prisoners; excess maintenance-of-effort funds under federal law are reduced from the Families First program; and savings from the previous commitment to close Tennessee Preparatory School are removed from the base.

I think you will agree that we must make decisions about priorities and the core functions of state government. As elected officials, we must fulfill our Constitutional duty to develop and enact a balanced budget. These budget reduction decisions were not easy to make and may not be easy for you to accept. However, I think that the decisions are reasonable and fair, given the state of the economy, the state revenue situation, and other things we must address in this budget.

In this budget, I recommend improvements in several critical areas:

K-12 Teacher Salary Equalization – Additional funds for K-12 teacher salary equalization will provide initial funding to the lowest-paying local education agencies, raising all local education systems to a minimum \$37,000 teacher salary average. An estimated 17,161 teachers in 75 school systems will benefit, and funds also are recommended to hold other school systems harmless. This initiative will begin to address the Tennessee Supreme Court decision.

K-12 Basic Education Program (BEP) – The Basic Education Program is fully funded for the seventh straight year in 2003-2004, and a supplemental appropriation is recommended in the current year to fully fund the BEP formula, in light of the group health insurance rate increase of January 1, 2003.

Homeland Security – A homeland security emergency fund will provide funds necessary for security of state facilities and for other operational requirements during such emergencies. Use of these funds will be strictly controlled by the Commissioner of Finance and Administration and the Director of the Office of Homeland Security. Funds also are recommended for homeland security equipment needs in the Military and Safety departments.

TennCare – A recurring base program adjustment is necessary in the TennCare program, because of the underfunding of the program in the current year; and additional program growth funds are required for 2003-2004 also. The program growth results mainly from medical, dental, behavioral health, and pharmacy inflation costs, as well improvements necessary for mental retardation and children's services programs.

TennCare must be stabilized. It provides essential health care to underprivileged, uninsured, and uninsurable Tennesseans. The program must be reformed in a way that allows budget stability in other essential state services. I assure you that TennCare will remain under a microscope.

Mental Retardation – Additional community placements and services for the mentally retarded are necessary and funded in this budget, addressing lawsuit issues; and additional funds are necessary for the forensic center because of the federal determination that the facility is not eligible for Medicaid funding.

Child Welfare – Improvements are recommended for supervision of child welfare case managers and for support of foster parents, residential contract providers, and community services. Adoption assistance and administrative support services also are funded, as provided in the Brian A settlement agreement.

Environmental Quality – From state regulatory fees and federal funds, I recommend improvements in air and water pollution control, as well as other environmental programs. These are necessary in order to comply with federal standards and to handle the increasing regulatory workload.

Prisons and Jails – The Whiteville prison in Hardeman County, other prison agreements, and the use of local jails for housing state felons require additional funding.

Health Insurance for State, Higher Education, and Local Education Employees – Group health insurance rate increases effective January 1, 2003, and January 1, 2004, require additional funding for the state share of the cost.

While I would like to have recommended a general salary improvement for our dedicated employees, the current budget circumstance does not permit it. Because a pay raise for employees is not recommended, I also am not recommending funds for the various statutory salary plans, except for judges, whose pay raise is Constitutionally required. The one-year suspension of the statutory salary plans will require amendment of the statutes, and I am recommending that legislation with this budget.

Recommended capital outlay is limited mainly to capital maintenance for the university systems, the prison system, and other state facilities.

The Budget Document describes the recommended improvements in detail, along with a departmental summary of the base budget reductions. The base budget is presented program by program; recommended improvements are explained; performance measures and program information are listed at length following the program statements. In addition, a separate volume describing the base budget reductions by program will be provided to you.

While I am not pleased to present a budget that assumes the revenue fluctuation reserve could be depleted in the current year, that is possible, and the budget reflects that. I urge you to remain

conservative in tax estimating, with the hope that the rainy day fund can be partially restored if tax collections permit.

Along with the Appropriations Bill, I am submitting legislation necessary to implement budget recommendations that require statutory changes. My staff and I are prepared to work with the members of the General Assembly on this budget, the Appropriations Bill, related legislation, and other issues.

Sincerely,

Phil Bredesen
Governor of the State of Tennessee



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285

DAVE GOETZ
COMMISSIONER

March 10, 2003

The Honorable Phil Bredesen
State Capitol
Nashville, Tennessee 37243

Dear Governor Bredesen:

I am pleased to submit to you the fiscal year 2003-2004 Budget Document.

This budget reflects your decisions to estimate revenues realistically and to equitably adjust the base of program appropriations to a level that can be sustained by the existing revenue base. At the same time, recommended program improvements are limited to those that are mandatory under state and federal law or otherwise fund essential services. Basic education for K-12 children, homeland security, essential health care, mental health community programs, mental retardation programs, and children's services are given special consideration in both the base budget adjustments and program improvement decisions.

The total recommended state budget for 2003-2004 is \$21.5 billion, with \$9.8 billion from state appropriations, \$8.2 billion from federal funds, and the remainder from other departmental revenues, higher education tuition and student fees, and bonds for highway projects and capital outlay.

Based on mid-year review of tax collections and economic reports made to the State Funding Board, we have reduced the current-year estimate of taxes collected by the Department of Revenue by \$64.5 million in the general fund. For fiscal year 2003-2004, we estimate taxes collected by the Department of Revenue to grow by only \$150 million, or 3.1 percent, above the original 2002-2003 budgeted tax estimates.

Compared with the revised estimates for the current year, general fund tax revenues collected by the Department of Revenue and other state agencies are estimated to grow by 3.04 percent, or only \$231.1 million. At the same time, essential program improvements require \$628.8 million, including \$327.9 million for TennCare and \$110.9 million for the K-12 Basic Education Program.

In order to balance the budget as you directed, discretionary appropriations in the base budget are reduced by 9 percent. The Legislative and Executive branches, including higher education, and the highway fund and the cities and counties fund (state-shared taxes) all share in the 9 percent

reduction. Certain grants that the General Assembly has reviewed during the last two legislative sessions are reduced by 9 percent also.

A few other programs were reduced on a different basis: the extended contracts portion of the career ladder program is eliminated from the base budget (\$28 million); the excess from the previously legislated career ladder phase-out is reduced from the budget (\$3 million); payments to non-contract local jails are reduced from \$35 to \$29 per day for housing state prisoners (\$5.7 million); excess maintenance-of-effort funds under federal law are reduced from the Families First program (\$5 million); and savings from the previous commitment to close Tennessee Preparatory School are removed from the base (\$5.1 million).

The 9 percent reduction in the base discretionary appropriation of the general fund saves \$236.7 million; the highway fund reduction provides \$65.8 million for the general fund; and the cities and counties fund reduction provides \$60.7 million for the general fund. The total of these discretionary appropriation reductions is \$363.2 million.

This reduction plan requires the abolishment of 845 fulltime positions and the establishment of 36 in order to operate more efficiently, for a net reduction of 809 fulltime positions. Of the 845 fulltime positions to be abolished, we estimate that 638 are vacant and 207 are filled. Due to time constraints for budget development at the beginning of the Administration, we have determined that additional vacant positions also must be abolished in order to reduce the budget by an additional \$20 million. Because we are partly using abolishment of vacant positions to reduce the base budget, and given our overappropriation, which is a statewide discount from the appropriation that recognizes the general fund reversion from the vacant positions, we must maintain a hard freeze on filling of vacant positions. In order to balance fiscal year 2003-2004, agencies still must satisfy the overappropriation requirement.

Held harmless from the base reductions reflected at the program level in the Budget Document are the K-12 Basic Education Program, mental retardation programs, mental health community programs, regulatory programs funded by dedicated tax sources that do not benefit the general fund, and other programs funded by dedicated tax sources. Homeland security is given special consideration, as are prison security and children's services. Also, the justice system is given special treatment, with 2 ½ percent reductions for the Court System, the district attorneys general, and the public defenders system.

Program improvements from state appropriations of \$628.8 million include \$110.9 million for the K-12 Basic Education Program (BEP). This includes \$26.7 million for teacher salary equalization and \$84.2 million for the BEP funding formula, including normal growth in the formula (\$33.8 million), the January 1, 2003, salary increase and group health insurance increase for teachers (\$42.1 million), and a January 1, 2004, group health insurance premium increase (\$8.3 million).

The funds for teacher salary equalization address the Constitutional issue decided by the Tennessee Supreme Court. The funds will provide initial funding to the lowest paying local education agencies, raising all local education systems to a minimum \$37,000 teacher salary

average. An estimated 17,161 teachers in 75 school systems will receive a salary increase; and \$5.9 million of the \$26.7 million will be dedicated to holding harmless those school systems not receiving additional teacher salary equalization funds under this appropriation.

The TennCare improvement of \$328 million includes \$206 million for a recurring base program adjustment and \$122 million for program growth. The amount recommended for program growth results mainly from medical, dental, behavioral health, and pharmacy inflation costs and from mental retardation and children's services program improvements.

Essential improvements include the cost in 2003-2004 of annualizing the January 1, 2003, salary increases that are funded for six months in the current year (\$22.9 million) and the annualized cost of the January 1, 2003, group health insurance premium increase (\$60.1 million). This is a total of \$83 million that is required to fund the actions taken in the current year on salaries and benefits for state and higher education employees.

An additional group health insurance premium increase on January 1, 2004, for state and higher education employees is funded at a cost of \$10.4 million, as is a July 1, 2003, claims premium increase at a cost of \$9.5 million, of which \$4.7 million is non-recurring.

For mental retardation programs, an improvement of \$45.2 million is recommended, including \$17 million from state appropriations to the programs and other funds from TennCare. From these funds, \$5.7 million is a state appropriation required to operate the Harold Jordan Forensic Center in Nashville because of the federal disallowance of the use of Medicaid funds for facility operations. The remainder of the recommended improvement will provide for additional mental retardation community placements and services, as required by lawsuits, and for some other essential program improvements.

In the Correction Department, the use of local jails and prison agreements for housing state inmates and a few additional positions at the DeBerry Special Needs Facility require an appropriation improvement of \$21.9 million. This includes \$14.8 million for the new use of the Whiteville prison, under agreement with Hardeman County, and \$5 million for the projected felons in local jails.

The budget includes \$3 million to establish a Homeland Security Emergency Fund. This will provide funding in the event of an emergency for the security of state property, buildings, and personnel, as well as the additional operational costs, including overtime, resulting from homeland security needs. These funds will be allotted to the line agencies only when circumstances require it, upon approval of the Commissioner of Finance and Administration and the Director of Homeland Security.

Recommended improvements for the Department of Safety total \$9.4 million from state appropriations, including \$4.6 million for homeland security equipment needs and \$4.1 million from dedicated funds for start-up equipment costs of the new title and registration system. For homeland security, an additional \$816,800 from state appropriations is recommended for the

Tennessee Emergency Management Agency. This will provide funds for emergency response equipment and computer communications.

The budget includes recommended improvements in three departments for the authorization of 342 additional positions intended to eliminate the long-term overlap of two personnel in one authorized position. This includes 13 positions in the prison system, 101 in the mental health institutes, and 228 in the mental retardation programs, mainly in developmental centers. This is a more straight-forward way to budget for the staffing of direct-care programs. After review of the overlap situation with those departments, I believe most other long-term overlaps throughout state government can be resolved without additional position authorizations.

Other major recommended improvements include \$3.1 million for retired teachers insurance, \$4 million for indigent defendants counsel, and \$3.5 million nonrecurring for the March 2004 presidential primaries. All other program improvements require less than \$14 million from state appropriations.

These and other recommended program improvements are explained in detail in the Budget Document. Major improvements are highlighted at the beginning of each program statement section and in the detailed improvement listings in each section.

The capital outlay budget totals \$70.2 million, mostly for maintenance. The state cost of the capital budget is funded mainly by 20-year and 10-year bonds, totaling \$44 million.

In the current fiscal year, the undercollection of tax revenue estimates and the supplemental appropriation requirements for TennCare and a few other programs will pose a challenge for closing 2002-2003. Recommended supplemental appropriations total \$369.6 million for TennCare, divided between expenditure estimates and the budget neutrality agreement reached with the federal government last year; and \$36.3 million for other state programs, including \$14.3 million required to fully fund the Basic Education Program, in light of the January 1, 2003, group health insurance premium increase, \$10.4 million for the cost of housing felons in local jails, \$5.7 million to offset the disallowance of Medicaid funds for the mental retardation forensic center, \$4.3 for indigent criminal defense and guardians at law for children, and \$1.6 million for retired teachers insurance and other miscellaneous appropriations.

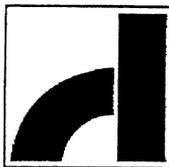
The plan for closing the general fund in the current year, as presented in the Budget Overview, includes the following: the overappropriation, or reversion from state agencies, is raised by \$23.2 million from the \$80 million budgeted figure; higher education would revert \$41.1 million, or 5 percent of its appropriation, to the general fund; \$30 million would be transferred from the highway fund to the general fund; \$28 million would be transferred from savings in the debt service fund; the reserves for future requirements and federal contingent liabilities would be transferred; and \$248.9 million would be transferred from the revenue fluctuation reserve and other reserves.

I recommend that you advise the General Assembly to remain conservative in estimating revenues. It is unfortunate that we must use the revenue fluctuation reserve to close the current

year in balance, but that is the circumstance, as reflected in this Budget Document. If tax collections compared with the revised estimates permit, we plan to restore funds to the rainy day fund to the extent possible.

Respectfully Submitted,

M. D. Goetz, Jr.
Commissioner of Finance and Administration



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

State of Tennessee

For the Fiscal Year Beginning

July 1, 2002

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the State of Tennessee for its annual budget for the fiscal year beginning July 1, 2002.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Budget Overview

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Budget Overview

Preface

The Budget Document

Tennessee Code Annotated, Section 9-4-5106, requires that the financial plan of Tennessee's state government be presented in four parts:

1. Financial Policy

The state's financial policy, contrasting the relationships between expenditures and revenues from all sources that are estimated for the ensuing fiscal year with the corresponding figures for the latest completed fiscal year and the fiscal year in progress; and a budget summary;

2. State Appropriations and Taxes, Excluding Dedicated Funds

Appropriations and tax estimates from general state tax sources, excluding appropriations from dedicated tax sources; this is the so-called "State Taxpayers Budget";

3. Detailed Budget Estimates

Estimates of expenditures and revenues, including all funding sources; program statements and performance measures; statement of the state's bonded indebtedness, detailing redemption requirements until retirement, the net and gross debt of the state, and condition of the sinking fund; and

4. Appropriations Bill and Other Budget Bills

The General Appropriations Bill, whereby the General Assembly gives legal sanction to the financial plan it adopts. Upon passage, this bill appropriates by agency and fund the expenditures for the ensuing fiscal year. The revenues by which these expenditures are financed also are detailed in this bill. In addition, other bills required to give legal sanction to the financial plan must be filed.

Parts one, two, and three are included in the Budget Document. The format of the Budget Document is reviewed annually for clarity and content. Part four, the Appropriations Bill and other budget legislation, such as the Bond Authorization Bill, are separate documents.

The first section of the Budget Document, entitled "Budget Overview," is a brief summary of the total budget.

The roles of the various branches of government in the budget process are described in "The Budget Process" narrative, located near the end of the "Budget Overview" section. The General Assembly, or Legislative Branch, makes the laws; the Judicial Branch interprets these laws; while the Executive Branch, headed by the Governor, has the Constitutional duty to administer and execute duties and functions that have been enacted into law by the General Assembly.

The "Budget Process" explanation is followed by a subsection entitled "Basis of Budgeting and Accounting," which explains how the Budget is presented and some of the mysteries of accounting.

Following this preface is a series of charts and schedules that summarize the Budget. The total state budget and the General Fund budget are represented by pie charts that detail each major tax and each functional area for the recommended budget. Tennessee's current tax structure has the majority of its tax revenue coming from the sales tax, the largest portion of which funds education.

The overview schedules clarify and detail the expenditures, revenue sources, and personnel requirements of state government.

A new chart, following the pie charts and two total state budget charts, explains base budget reductions from discretionary state appropriations. This is a departmental summary of the General Fund impact of the base reductions; a separate budget document supplement volume explains the reductions by

program. The discretionary appropriations exclude appropriations from dedicated taxes that are narrowly levied and earmarked for specific programs (explained in the "State Taxpayers Budget" section.) Discretionary appropriations also exclude certain programs held harmless because of the nature of the program or because of state or federal requirements, such as the Basic Education Program, mental retardation programs, most of the Families First program, most of children's services, and most of the TennCare (or Medicaid) program.

There are several total budget schedules comparing programs by funding source and showing how those funds are derived. In these comparison charts, the 2003-2004 estimates for the Cities and Counties Fund (state-shared taxes) and Department of Transportation appropriations reflect a recommended base budget reduction, with the funds being redirected to the General Fund. Therefore, the 2003-2004 Cities and Counties Fund and Department of Transportation appropriations are lower than the tax estimates for the Cities and Counties Fund and Highway Fund in the "State Revenues" tax distribution charts.

Also included are tables that list, by department, the improvements proposed for the next fiscal year.

There are two charts that provide the total fund balance available, indicating the appropriation requirements and the General Fund and Education Fund revenues and reserves available to meet that need. These two charts are titled "General Fund and Education Fund, Comparison of Appropriation Requirements and State Revenues" for the current year and next (or recommended budget) year. These charts show how the budget is balanced against General Fund and Education Fund tax revenues for the two fiscal years. Due to its unique funding source, the Department of Transportation is highlighted separately with its detailed funding requirements.

All agencies and departments are included in the summary comparison schedules by program and funding source.

Other schedules provide detail on the supplemental appropriations required to maintain programs in the current fiscal year, the Constitutional spending limitation requirement, and a summary of personnel and funding for all state agencies and higher education institutions.

Following the "Budget Overview" summary schedules is a statement of the Administration's priorities, followed by a history of major programs. A "Tennessee Characteristics" section includes demographic and physical statistics on the state. The "Economic Overview" narrative discusses the relative trends and impacts of Tennessee's economy on state revenues. The Budget Document also includes an historical analysis of the effect on the state budget of federal aid trends and federally mandated costs.

The section entitled "State Tax Revenues" lists the various sources of revenue, the collecting agencies, and the statutory apportionment among the various funds: the General Fund, Education Fund, Highway Fund, Sinking (or Debt Service) Fund, and Cities and Counties Fund. A comparison of collections by fiscal year is presented on the remaining pages of that section.

Included in the "Financial Statements" section are the comparative balance sheets for the General Fund, Education Fund, and Highway Fund as of June 30 for the two prior years. This schedule is followed by the expenditures and requirements of the Debt Service Fund for the previous, current, and subsequent fiscal years. A Debt Service Fund comparative balance sheet also is included. The status of the various authorized and unissued bonds is given in a schedule of bonds and appropriations made for capital purposes in lieu of bond issuance. The statement of bonded indebtedness presents the retirement schedule for the state's bonded debt. The cost of outstanding bonds is reflected as principal and interest.

The proposed capital outlay for the ensuing fiscal year is included within the "Capital Outlay Program" section. Specific projects are shown for each department

The Budget Document

impacted, with the statewide capital maintenance effort included among the items for the Department of Finance and Administration. Whether from current funds of the general fund, the sale of general obligation bonds, or from other sources, the proposed funding for each project is indicated.

The "State Taxpayers Budget" section is included to distinguish between state appropriations from general state taxes and appropriations from dedicated taxes and fees, which are narrowly levied and earmarked for specific purposes. The "State Taxpayers Budget" excludes the dedicated funds, federal revenues, and other departmental revenues; it reports only appropriations from general state tax sources, along with estimates of the general taxes.

Except for the "State Taxpayers Budget" and a chart summarizing base budget reductions from a discretionary base, all of the other summary charts and program statements in this Budget Document that deal with appropriations include appropriations from all state sources, both general taxes and dedicated taxes and fees.

The major portion of the Budget Document is "Program Statements by Functional Area." For presentation in the Budget Document, departments and agencies with related missions, programs, goals, and objectives are grouped, resulting in six

functional areas. This enables legislators, policy-makers, and citizens to have a better concept of the magnitude and costs of services provided through the various functional areas of state government.

At the beginning of each functional presentation is an introduction to the associated agencies, followed by a list of the improvement items that are recommended for that area of state government. The improvement list is followed by tables that show the total expenditures, funding sources, and personnel of each functional area.

The activities and responsibilities of the departments and agencies are explained through narrative descriptions of each program. Following this narrative, fiscal and personnel data are provided for the last completed year, the current year, and the next year. The next-year estimates include the level of funding and number of positions for the recommended base budget, program improvements, and the total recommended.

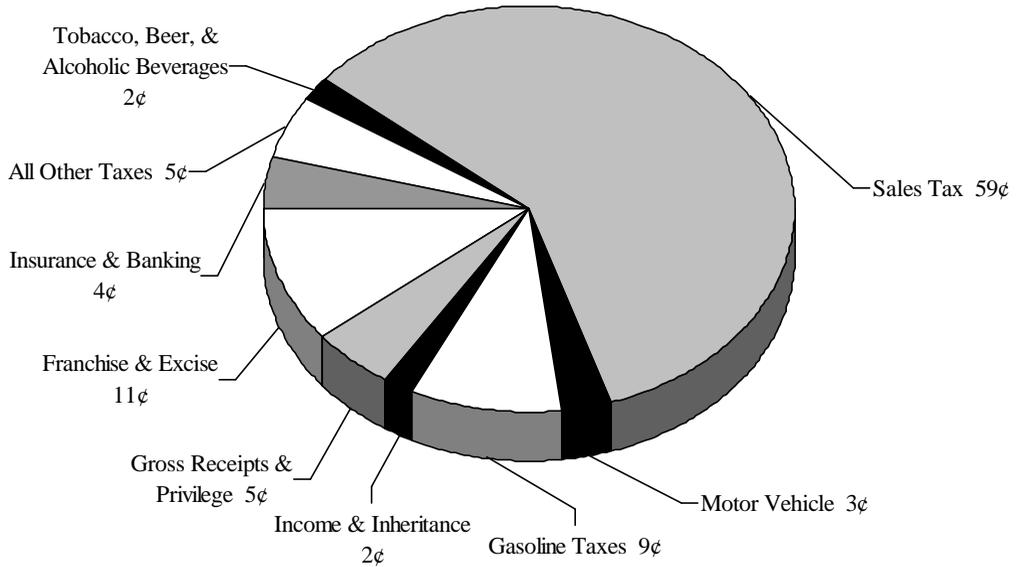
At the end of each functional area program statement is a table of performance measures and program information, covering the three years for which funding is displayed.

The final section of the document provides a glossary of terms and an index to permit easy reference to specific departments or programs.

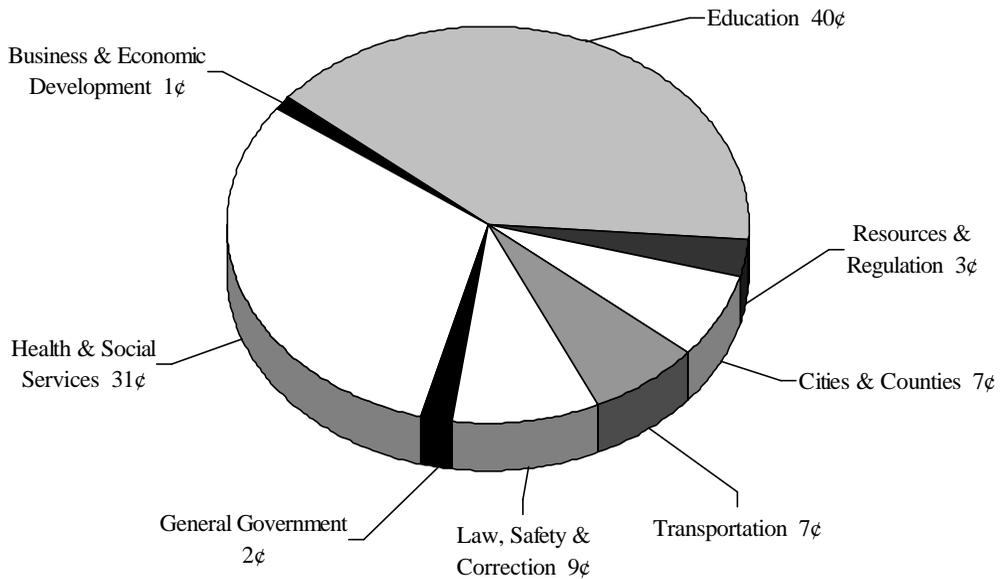
Summary Statements and Charts

Total State Budget

Where Your State Tax Dollar Comes From



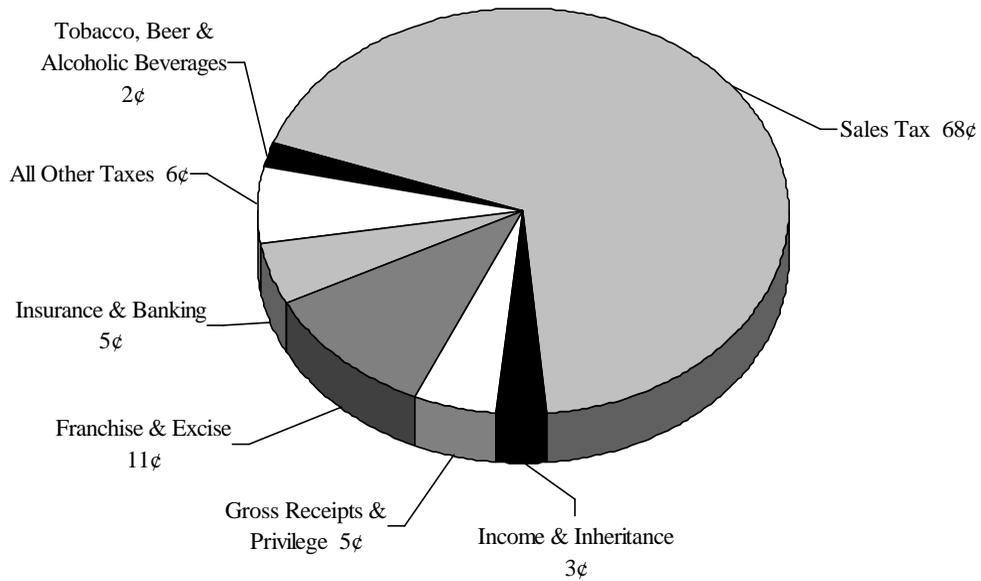
Where Your State Tax Dollar Goes



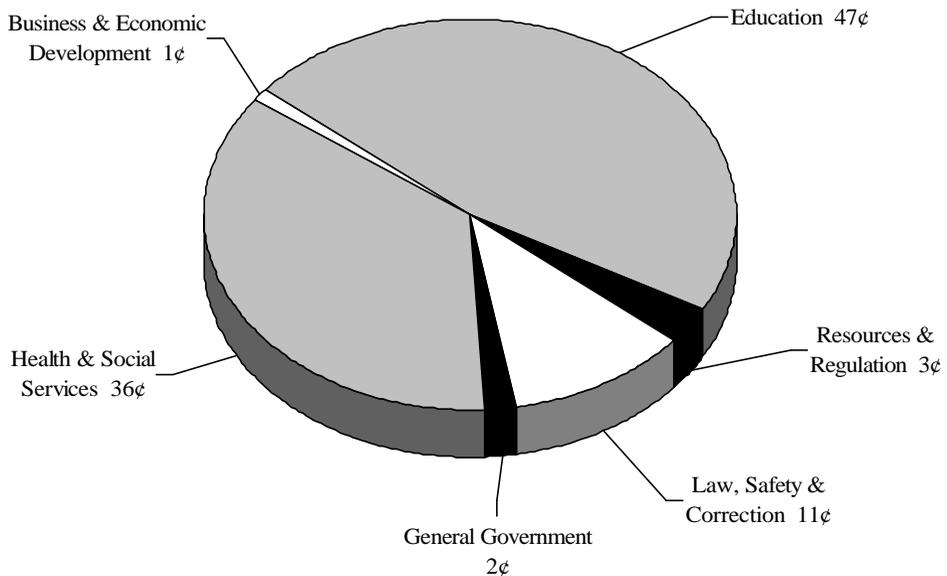
Fiscal Year 2003 - 2004

General Fund Budget

Where Your State Tax Dollar Comes From



Where Your State Tax Dollar Goes



Fiscal Year 2003 - 2004

**Total State Budget
Comparison of Programs and Revenue Sources
Fiscal Years 2001-2002, 2002-2003, and 2003-2004**

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Recommended 2003-2004</u> | <u>Act. vs. Est. Difference</u> | <u>Est. vs. Rec. Difference</u> |
|--|-----------------------------|--------------------------------|----------------------------------|-------------------------------------|-------------------------------------|
| I. PROGRAMS | | | | | |
| ALL PROGRAMS | \$19,280,077,800 | \$20,617,550,500 | \$21,457,227,500 | \$1,337,472,700 | \$839,677,000 |
| General Fund | 16,838,063,900 | 17,930,528,900 | 18,998,123,900 | 1,092,465,000 | 1,067,595,000 |
| Department of Transportation | 1,299,242,600 | 1,555,050,000 | 1,443,590,000 | 255,807,400 | (111,460,000) |
| Debt Service Requirements | 247,527,000 | 236,171,000 | 232,360,000 | (11,356,000) | (3,811,000) |
| Capital Outlay Program | 145,590,000 | 137,476,000 | 70,232,000 | (8,114,000) | (67,244,000) |
| Facilities Revolving Fund | 99,452,300 | 101,524,600 | 99,321,600 | 2,072,300 | (2,203,000) |
| Cities & Counties - State Shared Taxes | 650,202,000 | 656,800,000 | 613,600,000 | 6,598,000 | (43,200,000) |
| II. REVENUE SOURCES | | | | | |
| APPROPRIATION | \$9,277,215,000 | \$9,565,920,000 | \$9,785,998,700 | \$288,705,000 | \$220,078,700 |
| General Fund | 7,515,811,200 | 7,974,964,400 | 8,316,867,100 | 459,153,200 | 341,902,700 |
| Department of Transportation | 747,985,000 ** | 669,750,000 | 622,850,000 | (78,235,000) | (46,900,000) |
| Debt Service Requirements | 247,527,000 | 236,171,000 | 232,360,000 | (11,356,000) | (3,811,000) |
| Capital Outlay Program | 115,576,000 ** | 27,913,000 | 0 | (87,663,000) | (27,913,000) |
| Facilities Revolving Fund | 113,800 | 321,600 | 321,600 | 207,800 | 0 |
| Cities & Counties - State Shared Taxes | 650,202,000 | 656,800,000 | 613,600,000 | 6,598,000 | (43,200,000) |
| BONDS | \$0 | \$127,265,000 | \$118,000,000 | \$127,265,000 | (\$9,265,000) |
| Department of Transportation | 0 | 77,000,000 | 74,000,000 | 77,000,000 | (3,000,000) |
| Capital Outlay Program | 0 | 47,165,000 | 44,000,000 | 47,165,000 | (3,165,000) |
| Facilities Revolving Fund | 0 | 3,100,000 | 0 | 3,100,000 | (3,100,000) |
| FEDERAL | \$6,941,411,000 | \$7,732,367,000 | \$8,243,346,500 | \$790,956,000 | \$510,979,500 |
| General Fund | 6,419,296,000 | 6,908,265,000 | 7,525,830,500 | 488,969,000 | 617,565,500 |
| Department of Transportation | 515,522,000 | 772,656,000 | 710,959,000 | 257,134,000 | (61,697,000) |
| Capital Outlay Program | 6,593,000 | 51,446,000 | 6,557,000 | 44,853,000 | (44,889,000) |
| CURRENT SERVICES & OTHER | \$3,061,451,800 | 3,191,998,500 | \$3,309,882,300 | \$130,546,700 | \$117,883,800 |
| General Fund * | 2,902,956,700 | 3,047,299,500 | 3,155,426,300 | 144,342,800 | 108,126,800 |
| Department of Transportation | 35,735,600 | 35,644,000 | 35,781,000 | (91,600) | 137,000 |
| Capital Outlay Program | 23,421,000 | 10,952,000 | 19,675,000 | (12,469,000) | 8,723,000 |
| Facilities Revolving Fund | 99,338,500 *** | 98,103,000 | 99,000,000 | (1,235,500) | 897,000 |
| TOTAL STATE BUDGET | \$19,280,077,800 | 20,617,550,500 | \$21,457,227,500 | \$1,337,472,700 | \$839,677,000 |

* Includes Higher Education's Tuition and Student Fees.

** Includes Tax Revenues and Bonds.

*** Includes Departmental Operating Revenues and Bonds.

**Total State Budget
Comparison of Programs by Revenue Sources
Fiscal Years 2001-2002, 2002-2003, and 2003-2004**

| | Actual 2001-2002 | Estimated 2002-2003 | Recommended 2003-2004 | Act. vs. Est. Difference | Est. vs. Rec. Difference |
|---|-------------------------|-------------------------|--------------------------|-----------------------------|-----------------------------|
| I. GENERAL FUND | \$16,838,063,900 | \$17,930,528,900 | \$18,998,123,900 | \$1,092,465,000 | \$1,067,595,000 |
| Appropriation | 7,515,811,200 | 7,974,964,400 | 8,316,867,100 | 459,153,200 | 341,902,700 |
| Federal | 6,419,296,000 | 6,908,265,000 | 7,525,830,500 | 488,969,000 | 617,565,500 |
| Current Services & Other Revenue* | 2,902,956,700 | 3,047,299,500 | 3,155,426,300 | 144,342,800 | 108,126,800 |
| II. DEPARTMENT OF TRANSPORTATION | \$1,299,242,600 | \$1,555,050,000 | \$1,443,590,000 | \$255,807,400 | (\$111,460,000) |
| Appropriation | 747,985,000 ** | 669,750,000 | 622,850,000 | (78,235,000) | (46,900,000) |
| Federal | 515,522,000 | 772,656,000 | 710,959,000 | 257,134,000 | (61,697,000) |
| Current Services & Other Revenue | 35,735,600 | 35,644,000 | 35,781,000 | (91,600) | 137,000 |
| Bonds | 0 | 77,000,000 | 74,000,000 | 77,000,000 | (3,000,000) |
| III. DEBT SERVICE REQUIREMENTS | \$247,527,000 | \$236,171,000 | \$232,360,000 | (\$11,356,000) | (\$3,811,000) |
| Appropriation | 247,527,000 | 236,171,000 | 232,360,000 | (11,356,000) | (3,811,000) |
| IV. CAPITAL OUTLAY PROGRAM | \$145,590,000 | \$137,476,000 | \$70,232,000 | (\$8,114,000) | (\$67,244,000) |
| Appropriation | 115,576,000 ** | 27,913,000 | 0 | (87,663,000) | (27,913,000) |
| Federal | 6,593,000 | 51,446,000 | 6,557,000 | 44,853,000 | (44,889,000) |
| Current Services & Other Revenue | 23,421,000 | 10,952,000 | 19,675,000 | (12,469,000) | 8,723,000 |
| Bonds | 0 | 47,165,000 | 44,000,000 | 47,165,000 | (3,165,000) |
| V. FACILITIES REVOLVING FUND | \$99,452,300 | \$101,524,600 | \$99,321,600 | \$2,072,300 | (\$2,203,000) |
| Appropriations | 113,800 | 321,600 | 321,600 | 207,800 | 0 |
| Current Services & Other Revenue | 99,338,500 *** | 98,103,000 | 99,000,000 | (1,235,500) | 897,000 |
| Bonds | 0 | 3,100,000 | 0 | 3,100,000 | (3,100,000) |
| VI. CITIES & COUNTIES - STATE SHARED TAXES | \$650,202,000 | \$656,800,000 | \$613,600,000 | \$6,598,000 | (\$43,200,000) |
| Appropriation | 650,202,000 | 656,800,000 | 613,600,000 | 6,598,000 | (43,200,000) |
| VII. TOTAL STATE BUDGET | \$19,280,077,800 | \$20,617,550,500 | \$21,457,227,500 | \$1,337,472,700 | \$839,677,000 |
| Appropriation | 9,277,215,000 | 9,565,920,000 | 9,785,998,700 | 288,705,000 | 220,078,700 |
| Federal | 6,941,411,000 | 7,732,367,000 | 8,243,346,500 | 790,956,000 | 510,979,500 |
| Current Services & Other Revenue* | 3,061,451,800 | 3,191,998,500 | 3,309,882,300 | 130,546,700 | 117,883,800 |
| Bonds | 0 | 127,265,000 | 118,000,000 | 127,265,000 | (9,265,000) |

*Includes Higher Education's Tuition and Student Fees.

**Includes Tax Revenues and Bonds.

***Includes Departmental Operating Revenues and Bonds.

**Fiscal Year 2003-2004 Base Reductions
from Discretionary Base State Appropriations:
General Fund Impact**

| Department | Discretionary Appropriation | Reductions | Percent Reduction |
|---|--|-----------------------|------------------------------|
| 301.00 Legislature | \$ 23,334,700 | \$ (2,100,100) | -9.0% |
| 302.00 Court System | 27,634,700 | (690,900) | -2.5% |
| 303.00 Attorney General and Reporter | 15,325,000 | (383,100) | -2.5% |
| 304.00 District Attorneys General Conference | 36,808,400 | (920,200) | -2.5% |
| 305.00 Secretary of State | 23,852,600 | (695,900) | -2.9% |
| 306.00 District Public Defenders Conference | 22,823,900 | (570,600) | -2.5% |
| 307.00 Comptroller of the Treasury | 35,410,100 | (3,186,900) | -9.0% |
| 308.00 Office of the Post Conviction Defender | - | - | 0.0% |
| 309.00 Treasury Department | 232,000 | (96,000) | -41.4% |
| 313.00 Claims and Compensation | - | - | 0.0% |
| Subtotal Non-Executive | \$ 185,421,400 | \$ (8,643,700) | -4.7% |
| 315.00 Executive Department | \$ 3,669,900 | (330,300) | -9.0% |
| 316.01 Commission on Children and Youth | 1,695,300 | (152,600) | -9.0% |
| 316.02 Commission on Aging and Disability | 9,526,500 | (857,400) | -9.0% |
| 316.03 Alcoholic Beverage Commission | 1,851,500 | (166,700) | -9.0% |
| 316.04 Human Rights Commission | 1,489,400 | (134,000) | -9.0% |
| 316.07 Health Services and Development Agency | - | - | 0.0% |
| 316.08 TRICOR | - | - | 0.0% |
| 316.09 Corrections Institute | 658,200 | (60,000) | -9.1% |
| 316.10 Council of Juvenile and Family Court Judges | 457,900 | (41,200) | -9.0% |
| 316.11 Tennessee Regulatory Authority | - | - | 0.0% |
| 316.12 Advisory Commission on Intergovernmental Relations | 470,900 | (190,900) | -40.5% |
| 316.20 Tennessee Housing Development Agency | - | - | 0.0% |
| 316.25 Arts Commission | 4,373,600 | (393,600) | -9.0% |
| 316.27 State Museum | 2,508,700 | (225,800) | -9.0% |
| 317.00 Finance and Administration | 11,218,400 | (1,027,500) | -9.2% |
| 318.00 Finance and Administration - TennCare Program | 757,100 | (757,100) | -100.0% |
| 319.00 Personnel | 4,722,700 | (425,000) | -9.0% |
| 321.00 General Services | 2,055,800 | (185,100) | -9.0% |
| 323.00 Veterans Affairs | 2,649,000 | (238,400) | -9.0% |
| 324.00 Board of Probation and Parole | 54,439,700 | (4,088,500) | -7.5% |
| 325.00 Agriculture | 33,050,900 | (3,925,400) | -11.9% |
| 326.00 Tourist Development | 8,291,800 | (872,800) | -10.5% |
| 327.00 Environment and Conservation | 65,443,500 | (5,966,700) | -9.1% |
| 328.00 Tennessee Wildlife Resources Agency | - | - | 0.0% |
| 329.00 Correction | 480,600,700 | (13,018,600) | -2.7% |
| 330.00 Economic and Community Development | 32,390,600 | (2,915,100) | -9.0% |

**Fiscal Year 2003-2004 Base Reductions
from Discretionary Base State Appropriations:
General Fund Impact**

| Department | Discretionary Appropriation | Reductions | Percent Reduction |
|--|--|---------------------------------------|------------------------------|
| 331.25 Education - BEP and Other LEA Support | \$ 6,100,000 | \$ (2,973,300) | -48.7% |
| 331.10 Career Ladder | 31,000,000 | (31,000,000) | -100.0% |
| 331.00 Other K-12 Education Programs | 78,410,300 | (4,632,600) | -5.9% |
| Subtotal K-12 Education | <u>\$ 115,510,300</u> | <u>\$ (38,605,900)</u> | <u>-33.4%</u> |
| 332.00 Higher Education - State Administered Programs | \$ 75,892,300 | \$ (6,805,400) | -9.0% |
| 332.10 University of Tennessee System | 424,257,300 | (38,174,600) | -9.0% |
| 332.60 State University and Community College System | 637,073,500 | (57,347,200) | -9.0% |
| Subtotal Higher Education | <u>\$ 1,137,223,100</u> | <u>\$ (102,327,200)</u> | <u>-9.0%</u> |
| 335.00 Commerce and Insurance | \$ 11,901,800 | \$ (1,517,500) | -12.8% |
| 336.00 Financial Institutions | - | - | 0.0% |
| 337.00 Labor and Workforce Development | 19,034,100 | (1,431,000) | -7.5% |
| 339.00 Mental Health and Developmental Disabilities | 10,323,100 | (2,217,000) | -21.5% |
| 339.21 Finance and Administration - Mental Retardation | - | - | 0.0% |
| 341.00 Military | 9,246,500 | (832,200) | -9.0% |
| 343.00 Health | 80,504,900 | (7,258,200) | -9.0% |
| 345.00 Human Services - Families First | \$ 5,000,000 | \$ (5,000,000) | -100.0% |
| 345.00 Other Human Services Programs | 107,010,000 | (9,631,000) | -9.0% |
| Subtotal Human Services | <u>\$ 112,010,000</u> | <u>\$ (14,631,000)</u> | <u>-13.1%</u> |
| 347.00 Revenue | \$ 45,497,400 | \$ (4,094,800) | -9.0% |
| 348.00 Tennessee Bureau of Investigation | 26,441,800 | (2,393,000) | -9.1% |
| 349.00 Safety | 110,314,100 | (9,990,700) | -9.1% |
| 351.00 Miscellaneous Appropriations | 78,300 | (7,000) | -8.9% |
| 353.00 Emergency and Contingency Fund | - | - | 0.0% |
| 355.00 State Building Commission | - | - | 0.0% |
| 359.00 Children's Services | 6,760,000 | (6,760,000) | -100.0% |
| Subtotal Executive | <u>\$ 2,407,167,500</u> | <u>\$ (228,038,200)</u> | <u>-9.5%</u> |
| Total General Fund | <u>\$ 2,592,588,900</u> | <u>\$ (236,681,900)</u> | <u>-9.1%</u> |
| 400.00 Transportation | \$ 730,500,000 | \$ (65,800,000) | -9.0% |
| Cities and Counties - State Shared Taxes | 674,300,000 | (60,700,000) | -9.0% |
| Grand Total Discretionary Appropriations | <u><u>\$ 3,997,388,900</u></u> | <u><u>\$ (363,181,900)</u></u> | <u><u>-9.1%</u></u> |

Departmental Summary of Continuation and Improvement Recommendations from State Tax Revenue for Fiscal Year 2003-2004

| Department | 2002-2003 Appropriations* | | Recommended Appropriations for Fiscal Year 2003-2004 | | |
|--|---------------------------|---------------------|--|----------------------|------------------------|
| | Recurring | Non-Recurring | Base | Improvements | Total Recommended |
| Legislature | \$29,505,900 | \$57,200 | \$27,405,800 | \$0 | \$27,405,800 |
| Court System | 81,254,800 | 4,375,000 | 80,563,900 | 4,670,900 | 85,234,800 |
| Attorney General and Reporter | 15,513,500 | 0 | 15,130,400 | 0 | 15,130,400 |
| District Attorneys General | 44,367,100 | 343,100 | 43,446,900 | 208,200 | 43,655,100 |
| Secretary of State | 23,852,600 | 0 | 23,156,700 | 0 | 23,156,700 |
| District Public Defenders | 26,210,100 | 140,500 | 25,639,500 | 139,800 | 25,779,300 |
| Comptroller of the Treasury | 45,512,100 | 0 | 42,223,200 | 0 | 42,223,200 |
| Post-Conviction Defender | 856,700 | 0 | 856,700 | 204,600 | 1,061,300 |
| Treasury Department | 590,200 | 0 | 136,000 | 0 | 136,000 |
| Claims and Compensation | 8,245,300 | 0 | 8,125,500 | 0 | 8,125,500 |
| Executive Department | 4,840,600 | 250,000 | 4,510,300 | 0 | 4,510,300 |
| Commissions | 32,525,100 | 29,600 | 30,030,800 | 0 | 30,030,800 |
| Finance and Administration (F&A) | 13,114,500 | 1,800,000 | 12,087,000 | 0 | 12,087,000 |
| F&A - TennCare | 1,900,977,500 | 0 | 1,900,220,400 | 327,858,600 | 2,228,079,000 |
| Personnel | 4,684,400 | 0 | 4,297,700 | 0 | 4,297,700 |
| General Services | 6,305,800 | 0 | 6,120,700 | 0 | 6,120,700 |
| Veterans Affairs | 2,676,000 | 0 | 2,410,600 | 0 | 2,410,600 |
| Board of Probation & Parole | 57,162,400 | 128,500 | 53,930,500 | 0 | 53,930,500 |
| Agriculture | 57,235,500 | 2,500,000 | 56,535,900 | 0 | 56,535,900 |
| Tourist Development | 8,291,800 | 0 | 7,419,000 | 0 | 7,419,000 |
| Environment and Conservation | 143,316,300 | 0 | 136,682,600 | 1,803,500 | 138,486,100 |
| Wildlife Resources Agency | 42,251,200 | 0 | 39,908,100 | 335,300 | 40,243,400 |
| Correction | 480,682,200 | 10,556,200 | 467,663,600 | 21,943,300 | 489,606,900 |
| Economic & Community Development | 32,390,600 | 0 | 29,475,500 | 1,500,000 | 30,975,500 |
| Education (K-12) | 2,698,261,400 | 14,300,000 | 2,659,655,500 | 111,152,900 | 2,770,808,400 |
| Higher Education | 1,147,988,100 | 6,000,000 | 1,045,660,900 | 500,000 | 1,046,160,900 |
| Commerce and Insurance | 52,886,600 | 288,100 | 50,962,300 | 205,900 | 51,168,200 |
| Financial Institutions | 5,492,500 | 0 | 5,492,500 | 0 | 5,492,500 |
| Labor and Workforce Development | 24,487,000 | 0 | 23,056,000 | 0 | 23,056,000 |
| Mental Health & Developmental Disabilities | 104,407,900 | 41,500 | 102,190,900 | 3,675,000 | 105,865,900 |
| F&A - Mental Retardation Division | 70,306,300 | 6,200,000 | 70,306,300 | 17,005,800 | 87,312,100 |
| Military | 9,246,500 | 0 | 8,414,300 | 909,800 | 9,324,100 |
| Health | 103,992,200 | 0 | 96,734,000 | 1,748,800 | 98,482,800 |
| Human Services | 165,313,100 | 0 | 150,660,800 | 1,342,800 | 152,003,600 |
| Revenue | 45,497,400 | 696,800 | 41,402,600 | 0 | 41,402,600 |
| Tennessee Bureau of Investigation | 27,326,700 | 166,900 | 24,933,700 | 0 | 24,933,700 |
| Safety | 121,267,700 | 144,900 | 110,621,000 | 9,389,300 | 120,010,300 |
| Miscellaneous Appropriations | 29,919,800 | 611,300 | 29,298,700 | 113,742,100 | 143,040,800 |
| Emergency and Contingency Fund | 819,300 | 0 | 819,300 | 0 | 819,300 |
| State Building Commission | 250,000 | 0 | 250,000 | 0 | 250,000 |
| Children's Services | 256,454,000 | 56,100 | 249,633,000 | 10,461,400 | 260,094,400 |
| Total General Fund | \$7,926,278,700 | \$48,685,700 | \$7,688,069,100 | \$628,798,000 | \$8,316,867,100 |

* Includes Recommended Supplemental appropriations in the Amount of \$36,308,200. For a detailed listing of supplementals, please see the table on page A-26.

**Departmental Summary of Improvements
Fiscal Year 2003-2004**

| Code | Department | Total | Funding | | |
|--------|--|------------------------|----------------------|----------------------|----------------------|
| | | | Appropriation | Federal | Other |
| 301 | Legislature | \$0 | \$0 | \$0 | \$0 |
| 302 | Court System | 4,670,900 | 4,670,900 | 0 | 0 |
| 303 | Attorney General and Reporter | 0 | 0 | 0 | 0 |
| 304 | District Attorneys General | 238,600 | 208,200 | 0 | 30,400 |
| 305 | Secretary of State | 0 | 0 | 0 | 0 |
| 306 | District Public Defenders | 139,800 | 139,800 | 0 | 0 |
| 307 | Comptroller of the Treasury | 0 | 0 | 0 | 0 |
| 308 | Post-Conviction Defender | 0 | 204,600 | (204,600) | 0 |
| 309 | Treasury Department | 0 | 0 | 0 | 0 |
| 315 | Executive Department | 0 | 0 | 0 | 0 |
| 316 | Commissions | 0 | 0 | 0 | 0 |
| 317 | Finance and Administration (F&A) | 0 | 0 | 0 | 0 |
| 318 | F&A - TennCare | 1,193,429,400 | 327,858,600 | 667,813,100 | 197,757,700 |
| 319 | Personnel | 0 | 0 | 0 | 0 |
| 321 | General Services | 0 | 0 | 0 | 0 |
| 323 | Veterans Affairs | 0 | 0 | 0 | 0 |
| 324 | Board of Probation and Parole | 0 | 0 | 0 | 0 |
| 325 | Agriculture | 0 | 0 | 0 | 0 |
| 326 | Tourist Development | 0 | 0 | 0 | 0 |
| 327 | Environment and Conservation | 3,616,500 | 1,803,500 | 216,300 | 1,596,700 |
| 328 | Wildlife Resources Agency | 335,300 | 335,300 | 0 | 0 |
| 329 | Correction | 21,962,000 | 21,943,300 | 0 | 18,700 |
| 330 | Economic & Community Development | 1,500,000 | 1,500,000 | 0 | 0 |
| 331 | Education (K-12) | 111,152,900 | 111,152,900 | 0 | 0 |
| 332 | Higher Education | 500,000 | 500,000 | 0 | 0 |
| 335 | Commerce and Insurance | 455,900 | 205,900 | 0 | 250,000 |
| 336 | Financial Institutions | 0 | 0 | 0 | 0 |
| 337 | Labor and Workforce Development | 0 | 0 | 0 | 0 |
| 339 | Mental Health & Developmental Disabilities | 5,217,400 | 3,675,000 | 0 | 1,542,400 |
| 339.21 | F&A - Mental Retardation Divison | 45,168,900 | 17,005,800 | 0 | 28,163,100 |
| 341 | Military | 1,313,900 | 909,800 | 404,100 | 0 |
| 343 | Health | 2,851,600 | 1,748,800 | 472,700 | 630,100 |
| 345 | Human Services | 5,833,800 | 1,342,800 | 4,491,000 | 0 |
| 347 | Revenue | 0 | 0 | 0 | 0 |
| 348 | Tennessee Bureau of Investigation | 0 | 0 | 0 | 0 |
| 349 | Safety | 9,389,300 | 9,389,300 | 0 | 0 |
| 351 | Miscellaneous Appropriations | 113,742,100 | 113,742,100 | 0 | 0 |
| 359 | Children's Services | 16,907,000 | 10,461,400 | 1,828,600 | 4,617,000 |
| | Sub-total General Fund | \$1,538,425,300 | \$628,798,000 | \$675,021,200 | \$234,606,100 |
| 400 | Transportation | 0 | 0 | 0 | 0 |
| | Total All Funds | \$1,538,425,300 | \$628,798,000 | \$675,021,200 | \$234,606,100 |

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2002-2003**

I. APPROPRIATION REQUIREMENTS

General Fund Programs:

| | |
|--|-------------------|
| 2002 Appropriations Act - Work Program | \$7,936,456,000 |
| 2002 Appropriations Act - Additions | 2,200,200 |
| 2003 Supplemental Appropriations | <u>36,308,200</u> |

Sub-Total General Fund Requirements **\$7,974,964,400**

TennCare - Supplemental Appropriations:

| | |
|------------------------------------|--------------------|
| TennCare - Additional Expenditures | 194,900,000 |
| TennCare - Budget Neutrality | <u>174,700,000</u> |

Sub-Total TennCare - Supplemental Appropriations **\$369,600,000**

Total General Fund Requirements **\$8,344,564,400**

Less: Overappropriation (80,000,000)

Net General Fund Requirements **\$8,264,564,400**

| | |
|----------------------------------|----------------|
| Transportation Equity Fund | 21,000,000 |
| Capital Outlay Program | 27,913,000 |
| TennCare Reserve | 15,500,000 |
| Sports Authority Reserve | 3,988,000 |
| Personal License Plates Reserves | 3,200,000 |
| Ad Valorem Tax Reduction Fund | 6,900,000 |
| Facilities Revolving Fund | <u>321,600</u> |

Total Appropriation Requirements **\$8,343,387,000**

II. GENERAL FUND REVENUES AND RESERVES

| | |
|---|------------------|
| State Tax Revenue - Department of Revenue - Revised | \$6,909,100,000 |
| State Tax Revenue - Other State Revenue - Revised | 692,400,000 |
| Miscellaneous Revenue - Revised | 78,400,000 |
| Tobacco Funds | 170,000,000 |
| IGT Revenue | 60,000,000 |
| Highway Fund Transfer - Gas Inspection Act | <u>1,000,000</u> |

Sub-Total General Fund Revenues and Reserves **\$7,910,900,000**

Revenue Shortfall at June 30, 2003 (432,487,000)

Plan for Closing

| | |
|--|--------------------|
| Reserve for Future Requirements at June 30, 2002 | 11,300,000 |
| Debt Service Fund Transfer at June 30, 2003 | 28,000,000 |
| Overappropriation Increase | 23,200,000 |
| Higher Education - 5% Reversion | 41,100,000 |
| Reserve for Federal Contingent Liability | 50,000,000 |
| Highway Fund Transfer | 30,000,000 |
| Revenue Fluctuation Reserve and Other Reserves | <u>248,900,000</u> |

Sub-Total Plan for Closing **\$432,500,000**

Undesignated Fund Balance at June 30, 2002 153,000

Total General Fund Revenues and Reserves **\$8,343,553,000**

III. AVAILABLE FUNDS AT JUNE 30, 2003

| | |
|-----------------------------|----------------|
| Revenue Fluctuation Reserve | \$0 |
| Undesignated Fund Balance | <u>166,000</u> |

Total Available Funds **\$166,000**

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2003-2004**

I. APPROPRIATION REQUIREMENTS

General Fund Programs:

| | |
|---|------------------------|
| Base Budget Requirements | \$7,923,218,400 |
| Base Budget Reductions | (236,681,900) |
| Base Budget Reductions - Dedicated Revenues | 1,532,600 |

| | |
|--------------------------------|------------------------|
| Base Budget Recommended | \$7,688,069,100 |
|--------------------------------|------------------------|

Improvement Budget Recommendations

| | |
|--------------------|-------------|
| K-12 BEP | 110,916,000 |
| TennCare | 327,858,600 |
| Other Improvements | 190,023,400 |

| | |
|---------------------------|----------------------|
| Total Improvements | \$628,798,000 |
|---------------------------|----------------------|

| | |
|--|------------------------|
| Total General Fund Requirements | \$8,316,867,100 |
|--|------------------------|

| | |
|--------------------------------------|--------------|
| Less: Overappropriation | (80,000,000) |
| Abolish Vacant Positions | (20,000,000) |
| Eliminate Overlaps | (4,585,000) |
| Interdepartmental Revenue Reductions | (2,300,000) |

| | |
|--------------------------------------|------------------------|
| Net General Fund Requirements | \$8,209,982,100 |
|--------------------------------------|------------------------|

| | |
|---------------------------------------|------------|
| Transportation Equity Fund | 21,000,000 |
| TennCare Reserve | 18,100,000 |
| Sports Authority Debt Service | 3,986,000 |
| Personal License Plates Fund Reserves | 3,200,000 |
| Ad Valorem Tax Reduction Fund | 6,900,000 |
| Facilities Revolving Fund | 321,600 |

| | |
|---|------------------------|
| Total Appropriation Requirements | \$8,263,489,700 |
|---|------------------------|

II. GENERAL FUND REVENUES AND RESERVES

| | |
|--|-----------------|
| State Tax Revenue - Department of Revenue | \$7,122,600,000 |
| State Tax Revenue - Other State Revenue | 710,000,000 |
| Miscellaneous Revenue | 79,400,000 |
| Tobacco Funds in 2003-2004 | 158,300,000 |
| IGT Revenue | 60,000,000 |
| Highway Fund Transfer - Gas Inspection Act | 1,000,000 |
| Safety - Title & Registration System Reserve | 4,100,000 |
| Realty Transfer Tax - 9% Transfer | 1,600,000 |
| Highway Fund - 9% Transfer | 65,800,000 |
| State Shared Taxes - 9% Transfer | 60,700,000 |
| Revenue Fluctuation Reserve at June 30, 2003 | 0 |
| Undesignated Fund Balance at June 30, 2003 | 166,000 |

| | |
|---|------------------------|
| Total General Fund Revenues and Reserves | \$8,263,666,000 |
|---|------------------------|

III. AVAILABLE FUNDS AT JUNE 30, 2004

| | |
|-----------------------------|---------|
| Revenue Fluctuation Reserve | \$0 |
| Undesignated Fund Balance | 176,300 |

| | |
|------------------------------|------------------|
| Total Available Funds | \$176,300 |
|------------------------------|------------------|

Department of Transportation
Comparison of Appropriations and Funding Requirements
Fiscal Years 2002-2003 and 2003-2004

| | <u>2002-2003</u> | <u>2003-2004</u> | <u>Difference</u> |
|--|----------------------|----------------------|-----------------------|
| I. APPROPRIATION REQUIREMENTS | | | |
| ADMINISTRATION: | | | |
| D.O.T. Headquarters | \$13,255,000 | \$13,630,000 | \$375,000 |
| Bureau of Engineering | 29,592,000 | 28,704,000 | (888,000) |
| Bureau of Administration | 32,421,000 | 30,347,000 | (2,074,000) |
| Field Engineering | 25,640,000 | 26,703,000 | 1,063,000 |
| Insurance Premiums | 8,490,000 | 8,490,000 | 0 |
| Total | \$109,398,000 | \$107,874,000 | (\$1,524,000) |
| EQUIPMENT PURCHASES & OPERATIONS: | \$21,201,000 | \$17,873,000 | (\$3,328,000) |
| HIGHWAY MAINTENANCE: | \$276,603,000 | \$281,626,000 | \$5,023,000 |
| STATE CONSTRUCTION: | | | |
| Highway Betterments | \$7,865,000 | \$5,700,000 | (\$2,165,000) |
| State Aid | 30,682,000 | 27,922,000 | (2,760,000) |
| State Industrial Access | 10,815,000 | 10,815,000 | 0 |
| Local Interstate Connectors | 1,475,000 | 1,475,000 | 0 |
| Capital Improvements | 6,660,000 | 7,374,000 | 714,000 |
| Total | \$57,497,000 | \$53,286,000 | (\$4,211,000) |
| FEDERAL CONSTRUCTION: | | | |
| Mass Transit | \$27,489,000 | \$28,188,000 | \$699,000 |
| Highway Planning & Research | 7,700,000 | 7,700,000 | 0 |
| Interstate Construction | 17,025,000 | 13,025,000 | (4,000,000) |
| Forest Highways | 200,000 | 200,000 | 0 |
| State Highway Construction | 199,837,000 | 157,578,000 | (42,259,000) |
| Bridge Replacement | 5,800,000 | 5,000,000 | (800,000) |
| Air, Water, & Rail | 24,000,000 | 24,500,000 | 500,000 |
| Total | \$282,051,000 | \$236,191,000 | (\$45,860,000) |
| TOTAL APPROPRIATION REQUIREMENTS | \$746,750,000 | \$696,850,000 | (\$49,900,000) |
| II. FUNDING REQUIREMENTS: | | | |
| Highway User Taxes | \$617,600,000 | \$635,500,000 | \$17,900,000 |
| Miscellaneous Revenue | 19,150,000 | 20,150,000 | 1,000,000 |
| Bonds | 77,000,000 | 74,000,000 | (3,000,000) |
| Highway Fund Balance/Reserves | 12,000,000 | 12,000,000 | 0 |
| Transportation Equity Fund | 21,000,000 | 21,000,000 | 0 |
| Sub-Total | \$746,750,000 | \$762,650,000 | \$15,900,000 |
| General Fund Transfer | (30,000,000) | (65,800,000) | (35,800,000) |
| TOTAL FUNDING REQUIREMENTS | \$716,750,000 | \$696,850,000 | (\$19,900,000) |

Department of Transportation
Comparison of Appropriations by Funding Sources
Fiscal Years 2002-2003 and 2003-2004

| | <u>2002-2003</u> | <u>2003-2004</u> | <u>Difference</u> |
|---------------------------------|------------------------|------------------------|------------------------|
| I. STATE FUNDS: | | | |
| Administration | \$109,398,000 | \$107,874,000 | (\$1,524,000) |
| Equipment Purchases | 21,201,000 | 17,873,000 | (3,328,000) |
| Highway Maintenance | 276,603,000 | 281,626,000 | 5,023,000 |
| State Construction | 57,497,000 | 53,286,000 | (4,211,000) |
| Federal Aid Construction | 205,051,000 | 162,191,000 | (42,860,000) |
| Total | \$669,750,000 | \$622,850,000 | (\$46,900,000) |
| II. BOND AUTHORIZATIONS: | | | |
| State Construction | \$0 | \$0 | \$0 |
| Federal Aid Construction | 77,000,000 | 74,000,000 | (3,000,000) |
| Total | \$77,000,000 | \$74,000,000 | (\$3,000,000) |
| III. FEDERAL AID: | | | |
| Federal Aid Construction | \$772,656,000 | \$710,959,000 | (\$61,697,000) |
| IV. LOCAL GOVERNMENTS: | | | |
| Highway Maintenance | \$1,100,000 | \$1,100,000 | \$0 |
| State Construction | 12,918,000 | 11,998,000 | (920,000) |
| Federal Aid Construction | 21,626,000 | 22,683,000 | 1,057,000 |
| Total | \$35,644,000 | \$35,781,000 | \$137,000 |
| V. GRAND TOTAL: | | | |
| Administration | \$109,398,000 | \$107,874,000 | (\$1,524,000) |
| Equipment Purchases | 21,201,000 | 17,873,000 | (3,328,000) |
| Highway Maintenance | 277,703,000 | 282,726,000 | 5,023,000 |
| State Construction | 70,415,000 | 65,284,000 | (5,131,000) |
| Federal Aid Construction | 1,076,333,000 | 969,833,000 | (106,500,000) |
| Sub-Total | \$1,555,050,000 | \$1,443,590,000 | (\$111,460,000) |
| General Fund Transfer | (30,000,000) | (65,800,000) | (35,800,000) |
| Total | \$1,525,050,000 | \$1,377,790,000 | (\$147,260,000) |

Comparison of Programs

Fiscal Years 2001-2002, 2002-2003, and 2003-2004

| Allot. Code | Department | Actual 2001-2002 | Estimated 2002-2003 | Recommended 2003-2004 | Act. vs Est. Difference | Est. vs Rec. Difference |
|----------------|---|------------------------|------------------------|--------------------------|----------------------------|----------------------------|
| 301 | Legislature | \$25,711,300 | \$29,780,600 | \$29,060,000 | \$4,069,300 | (\$720,600) |
| | Appropriation | 25,584,100 | 29,563,100 | 27,405,800 | 3,979,000 | (2,157,300) |
| | Current Services and Other Revenue | 127,200 | 217,500 | 1,654,200 | 90,300 | 1,436,700 |
| 302 | Court System | \$78,315,300 | \$89,631,500 | \$88,651,500 | \$11,316,200 | (\$980,000) |
| | Appropriation | 74,188,500 | 85,629,800 | 85,234,800 | 11,441,300 | (395,000) |
| | Federal | 138,400 | 200,000 | 200,000 | 61,600 | 0 |
| | Current Services and Other Revenue | 3,988,400 | 3,801,700 | 3,216,700 | (186,700) | (585,000) |
| 303 | Attorney General and Reporter | \$23,826,300 | \$27,865,000 | \$26,650,200 | \$4,038,700 | (\$1,214,800) |
| | Appropriation | 13,016,300 | 15,513,500 | 15,130,400 | 2,497,200 | (383,100) |
| | Current Services and Other Revenue | 10,810,000 | 12,351,500 | 11,519,800 | 1,541,500 | (831,700) |
| 304 | District Attorneys General | \$56,990,600 | \$61,284,900 | \$56,214,100 | \$4,294,300 | (\$5,070,800) |
| | Appropriation | 41,858,900 | 44,710,200 | 43,655,100 | 2,851,300 | (1,055,100) |
| | Federal | 100 | 0 | 0 | (100) | 0 |
| | Current Services and Other Revenue | 15,131,600 | 16,574,700 | 12,559,000 | 1,443,100 | (4,015,700) |
| 305 | Secretary of State | \$27,431,700 | \$33,288,900 | \$32,328,000 | \$5,857,200 | (\$960,900) |
| | Appropriation | 16,331,900 | 23,852,600 | 23,156,700 | 7,520,700 | (695,900) |
| | Federal | 3,153,800 | 3,546,700 | 3,546,700 | 392,900 | 0 |
| | Current Services and Other Revenue | 7,946,000 | 5,889,600 | 5,624,600 | (2,056,400) | (265,000) |
| 306 | District Public Defenders | \$25,278,300 | \$27,370,000 | \$26,362,800 | \$2,091,700 | (\$1,007,200) |
| | Appropriation | 24,601,200 | 26,350,600 | 25,779,300 | 1,749,400 | (571,300) |
| | Current Services and Other Revenue | 677,100 | 1,019,400 | 583,500 | 342,300 | (435,900) |
| 307 | Comptroller of the Treasury | \$48,937,100 | \$54,776,700 | \$53,690,200 | \$5,839,600 | (\$1,086,500) |
| | Appropriation | 39,405,000 | 45,512,100 | 42,223,200 | 6,107,100 | (3,288,900) |
| | Current Services and Other Revenue | 9,532,100 | 9,264,600 | 11,467,000 | (267,500) | 2,202,400 |
| 308 | Post-Conviction Defender | \$944,000 | \$1,061,300 | \$1,061,300 | \$117,300 | \$0 |
| | Appropriation | 918,800 | 856,700 | 1,061,300 | (62,100) | 204,600 |
| | Federal | 25,200 | 204,600 | 0 | 179,400 | (204,600) |
| 309 | Treasury Department | \$13,445,400 | \$17,431,300 | \$16,392,400 | \$3,985,900 | (\$1,038,900) |
| | Appropriation | 58,900 | 590,200 | 136,000 | 531,300 | (454,200) |
| | Current Services and Other Revenue | 13,386,500 | 16,841,100 | 16,256,400 | 3,454,600 | (584,700) |
| 313 | Claims and Compensation | \$62,708,600 | \$59,738,500 | \$72,436,900 | (\$2,970,100) | \$12,698,400 |
| | Appropriation | 8,270,700 | 8,245,300 | 8,125,500 | (25,400) | (119,800) |
| | Federal | 2,070,000 | 3,396,000 | 4,451,000 | 1,326,000 | 1,055,000 |
| | Current Services and Other Revenue | 52,367,900 | 48,097,200 | 59,860,400 | (4,270,700) | 11,763,200 |
| 315 | Executive Department | \$3,584,600 | \$5,090,600 | \$4,510,300 | \$1,506,000 | (\$580,300) |
| | Appropriation | 3,584,100 | 5,090,600 | 4,510,300 | 1,506,500 | (580,300) |
| | Current Services and Other Revenue | 500 | 0 | 0 | (500) | 0 |
| 316 | Commissions | \$229,069,600 | \$366,420,000 | \$361,708,400 | \$137,350,400 | (\$4,711,600) |
| | Appropriation | 27,467,700 | 32,554,700 | 30,030,800 | 5,087,000 | (2,523,900) |
| | Federal | 165,135,500 | 284,492,800 | 283,615,200 | 119,357,300 | (877,600) |
| | Current Services and Other Revenue | 36,466,400 | 49,372,500 | 48,062,400 | 12,906,100 | (1,310,100) |
| 317 | Finance and Administration (F&A) | \$191,530,900 | \$229,185,100 | \$211,885,400 | \$37,654,200 | (\$17,299,700) |
| | Appropriation | 7,134,100 | 14,914,500 | 12,087,000 | 7,780,400 | (2,827,500) |
| | Federal | 26,723,600 | 32,366,400 | 32,372,200 | 5,642,800 | 5,800 |
| | Current Services and Other Revenue | 157,673,200 | 181,904,200 | 167,426,200 | 24,231,000 | (14,478,000) |
| 318 | F&A - TennCare | \$6,105,650,500 | \$5,971,370,600 | \$7,090,511,500 | (\$134,279,900) | \$1,119,140,900 |
| | Appropriation | 1,902,098,600 | 1,900,977,500 | 2,228,079,000 | (1,121,100) | 327,101,500 |
| | Federal | 3,864,678,200 | 3,780,126,600 | 4,447,182,600 | (84,551,600) | 667,056,000 |
| | Current Services and Other Revenue | 338,873,700 | 290,266,500 | 415,249,900 | (48,607,200) | 124,983,400 |

Comparison of Programs

Fiscal Years 2001-2002, 2002-2003, and 2003-2004

| Allot. Code | Department | Actual 2001-2002 | Estimated 2002-2003 | Recommended 2003-2004 | Act. vs Est. Difference | Est. vs Rec. Difference |
|----------------|---|------------------------|------------------------|--------------------------|----------------------------|----------------------------|
| 319 | Personnel | \$7,286,300 | \$9,407,000 | \$8,671,600 | \$2,120,700 | (\$735,400) |
| | Appropriation | 3,370,500 | 4,684,400 | 4,297,700 | 1,313,900 | (386,700) |
| | Current Services and Other Revenue | 3,915,800 | 4,722,600 | 4,373,900 | 806,800 | (348,700) |
| 321 | General Services | \$79,189,200 | \$89,443,400 | \$87,323,200 | \$10,254,200 | (\$2,120,200) |
| | Appropriation | 2,733,800 | 6,305,800 | 6,120,700 | 3,572,000 | (185,100) |
| | Current Services and Other Revenue | 76,455,400 | 83,137,600 | 81,202,500 | 6,682,200 | (1,935,100) |
| 323 | Veterans Affairs | \$2,744,200 | \$3,243,500 | \$2,853,300 | \$499,300 | (\$390,200) |
| | Appropriation | 2,390,200 | 2,676,000 | 2,410,600 | 285,800 | (265,400) |
| | Federal | 290,400 | 360,000 | 360,000 | 69,600 | 0 |
| | Current Services and Other Revenue | 63,600 | 207,500 | 82,700 | 143,900 | (124,800) |
| 324 | Board of Probation and Parole | \$52,943,100 | \$57,630,900 | \$54,270,500 | \$4,687,800 | (\$3,360,400) |
| | Appropriation | 52,790,000 | 57,290,900 | 53,930,500 | 4,500,900 | (3,360,400) |
| | Current Services and Other Revenue | 153,100 | 340,000 | 340,000 | 186,900 | 0 |
| 325 | Agriculture | \$73,540,800 | \$79,159,300 | \$75,240,400 | \$5,618,500 | (\$3,918,900) |
| | Appropriation | 51,459,800 | 59,735,500 | 56,535,900 | 8,275,700 | (3,199,600) |
| | Federal | 15,120,100 | 11,677,800 | 10,333,200 | (3,442,300) | (1,344,600) |
| | Current Services and Other Revenue | 6,960,900 | 7,746,000 | 8,371,300 | 785,100 | 625,300 |
| 326 | Tourist Development | \$12,130,000 | \$12,846,200 | \$11,759,400 | \$716,200 | (\$1,086,800) |
| | Appropriation | 7,775,100 | 8,291,800 | 7,419,000 | 516,700 | (872,800) |
| | Current Services and Other Revenue | 4,354,900 | 4,554,400 | 4,340,400 | 199,500 | (214,000) |
| 327 | Environment and Conservation | \$225,455,100 | \$296,602,600 | \$296,611,400 | \$71,147,500 | \$8,800 |
| | Appropriation | 123,351,300 | 143,316,300 | 138,486,100 | 19,965,000 | (4,830,200) |
| | Federal | 31,984,300 | 73,053,900 | 73,514,600 | 41,069,600 | 460,700 |
| | Current Services and Other Revenue | 70,119,500 | 80,232,400 | 84,610,700 | 10,112,900 | 4,378,300 |
| 328 | Wildlife Resources Agency | \$64,738,100 | \$76,399,200 | \$59,757,700 | \$11,661,100 | (\$16,641,500) |
| | Appropriation | 39,127,700 | 42,251,200 | 40,243,400 | 3,123,500 | (2,007,800) |
| | Federal | 13,621,600 | 19,362,400 | 13,243,000 | 5,740,800 | (6,119,400) |
| | Current Services and Other Revenue | 11,988,800 | 14,785,600 | 6,271,300 | 2,796,800 | (8,514,300) |
| 329 | Correction | \$449,709,100 | \$522,091,100 | \$520,389,800 | \$72,382,000 | (\$1,701,300) |
| | Appropriation | 434,089,400 | 491,238,400 | 489,606,900 | 57,149,000 | (1,631,500) |
| | Federal | 639,500 | 15,604,700 | 15,784,700 | 14,965,200 | 180,000 |
| | Current Services and Other Revenue | 14,980,200 | 15,248,000 | 14,998,200 | 267,800 | (249,800) |
| 330 | Economic and Community Development | \$82,117,400 | \$79,884,700 | \$78,469,600 | (\$2,232,700) | (\$1,415,100) |
| | Appropriation | 38,999,900 | 32,390,600 | 30,975,500 | (6,609,300) | (1,415,100) |
| | Federal | 38,230,400 | 34,797,100 | 34,797,100 | (3,433,300) | 0 |
| | Current Services and Other Revenue | 4,887,100 | 12,697,000 | 12,697,000 | 7,809,900 | 0 |
| 331 | Education (K-12) | \$3,136,513,300 | \$3,399,885,600 | \$3,434,906,800 | \$263,372,300 | \$35,021,200 |
| | Appropriation | 2,590,769,500 | 2,712,561,400 | 2,770,808,400 | 121,791,900 | 58,247,000 |
| | Federal | 530,038,900 | 667,374,000 | 657,281,000 | 137,335,100 | (10,093,000) |
| | Current Services and Other Revenue | 15,704,900 | 19,950,200 | 6,817,400 | 4,245,300 | (13,132,800) |
| 332 | Higher Education | \$2,248,289,900 | \$2,345,331,600 | \$2,232,835,600 | \$97,041,700 | (\$112,496,000) |
| | Appropriation | 1,095,823,400 | 1,153,988,100 | 1,046,160,900 | 58,164,700 | (107,827,200) |
| | Federal | 134,293,000 | 141,955,900 | 141,941,700 | 7,662,900 | (14,200) |
| | Current Services and Other Revenue | 395,599,700 | 391,520,500 | 386,865,900 | (4,079,200) | (4,654,600) |
| | Tuition and Student Fees | 622,573,800 | 657,867,100 | 657,867,100 | 35,293,300 | 0 |
| 335 | Commerce and Insurance | \$56,639,300 | \$81,603,400 | \$79,297,700 | \$24,964,100 | (\$2,305,700) |
| | Appropriation | 29,577,800 | 53,174,700 | 51,168,200 | 23,596,900 | (2,006,500) |
| | Federal | 287,300 | 319,200 | 319,200 | 31,900 | 0 |
| | Current Services and Other Revenue | 26,774,200 | 28,109,500 | 27,810,300 | 1,335,300 | (299,200) |

Comparison of Programs

Fiscal Years 2001-2002, 2002-2003, and 2003-2004

| Allot. Code | Department | Actual 2001-2002 | Estimated 2002-2003 | Recommended 2003-2004 | Act. vs Est. Difference | Est. vs Rec. Difference |
|----------------|---|------------------------|------------------------|--------------------------|----------------------------|----------------------------|
| 336 | Financial Institutions | \$8,272,900 | \$9,061,400 | \$9,061,400 | \$788,500 | \$0 |
| | Appropriation | 4,187,800 | 5,492,500 | 5,492,500 | 1,304,700 | 0 |
| | Current Services and Other Revenue | 4,085,100 | 3,568,900 | 3,568,900 | (516,200) | 0 |
| 337 | Labor and Workforce Development | \$169,533,400 | \$204,106,900 | \$202,383,900 | \$34,573,500 | (\$1,723,000) |
| | Appropriation | 17,717,600 | 24,487,000 | 23,056,000 | 6,769,400 | (1,431,000) |
| | Federal | 122,802,700 | 133,830,400 | 144,349,400 | 11,027,700 | 10,519,000 |
| | Current Services and Other Revenue | 29,013,100 | 45,789,500 | 34,978,500 | 16,776,400 | (10,811,000) |
| 339 | Mental Health and Developmental Disabilities | \$196,838,400 | \$207,332,700 | \$208,080,600 | \$10,494,300 | \$747,900 |
| | Appropriation | 90,422,000 | 104,449,400 | 105,865,900 | 14,027,400 | 1,416,500 |
| | Federal | 16,427,300 | 17,177,400 | 16,811,100 | 750,100 | (366,300) |
| | Current Services and Other Revenue | 89,989,100 | 85,705,900 | 85,403,600 | (4,283,200) | (302,300) |
| 339.21 | F&A - Mental Retardation Division | \$512,829,400 | \$579,813,200 | \$613,082,100 | \$66,983,800 | \$33,268,900 |
| | Appropriation | 71,565,100 | 76,506,300 | 87,312,100 | 4,941,200 | 10,805,800 |
| | Federal | 1,617,300 | 2,092,100 | 2,092,100 | 474,800 | 0 |
| | Current Services and Other Revenue | 439,647,000 | 501,214,800 | 523,677,900 | 61,567,800 | 22,463,100 |
| 341 | Military | \$42,567,700 | \$49,122,000 | \$49,369,700 | \$6,554,300 | \$247,700 |
| | Appropriation | 9,971,500 | 9,246,500 | 9,324,100 | (725,000) | 77,600 |
| | Federal | 30,369,300 | 37,977,800 | 38,282,100 | 7,608,500 | 304,300 |
| | Current Services and Other Revenue | 2,226,900 | 1,897,700 | 1,763,500 | (329,200) | (134,200) |
| 343 | Health | \$373,978,500 | \$430,630,700 | \$424,770,000 | \$56,652,200 | (\$5,860,700) |
| | Appropriation | 84,374,600 | 103,992,200 | 98,482,800 | 19,617,600 | (5,509,400) |
| | Federal | 180,416,300 | 218,093,200 | 219,251,900 | 37,676,900 | 1,158,700 |
| | Current Services and Other Revenue | 109,187,600 | 108,545,300 | 107,035,300 | (642,300) | (1,510,000) |
| 345 | Human Services | \$1,397,057,400 | \$1,570,296,700 | \$1,523,622,200 | \$173,239,300 | (\$46,674,500) |
| | Appropriation | 149,074,400 | 165,313,100 | 152,003,600 | 16,238,700 | (13,309,500) |
| | Federal | 1,150,659,500 | 1,325,788,800 | 1,280,783,300 | 175,129,300 | (45,005,500) |
| | Current Services and Other Revenue | 97,323,500 | 79,194,800 | 90,835,300 | (18,128,700) | 11,640,500 |
| | Temporary Cash Assistance * | \$129,675,100 | \$125,677,800 | \$127,796,400 | (\$3,997,300) | \$2,118,600 |
| | Federal | 122,868,000 | 119,602,300 | 121,720,900 | (3,265,700) | 2,118,600 |
| | Current Services and Other Revenue | 6,807,100 | 6,075,500 | 6,075,500 | (731,600) | 0 |
| | Food Stamp Coupons * | \$524,925,100 | \$660,000,000 | \$660,000,000 | \$135,074,900 | \$0 |
| | Federal | 524,925,100 | 660,000,000 | 660,000,000 | 135,074,900 | 0 |
| | Other Human Services Programs * | \$742,457,200 | \$784,618,900 | \$735,825,800 | \$42,161,700 | (\$48,793,100) |
| | Appropriation | 149,074,400 | 165,313,100 | 152,003,600 | 16,238,700 | (13,309,500) |
| | Federal | 502,866,400 | 546,186,500 | 499,062,400 | 43,320,100 | (47,124,100) |
| | Current Services and Other Revenue | 90,516,400 | 73,119,300 | 84,759,800 | (17,397,100) | 11,640,500 |
| 347 | Revenue | \$57,983,700 | \$64,385,900 | \$59,287,000 | \$6,402,200 | (\$5,098,900) |
| | Appropriation | 40,015,700 | 46,194,200 | 41,402,600 | 6,178,500 | (4,791,600) |
| | Federal | 47,800 | 22,000 | 0 | (25,800) | (22,000) |
| | Current Services and Other Revenue | 17,920,200 | 18,169,700 | 17,884,400 | 249,500 | (285,300) |
| 348 | Tennessee Bureau of Investigation | \$41,891,400 | \$45,150,100 | \$41,263,600 | \$3,258,700 | (\$3,886,500) |
| | Appropriation | 24,413,400 | 27,493,600 | 24,933,700 | 3,080,200 | (2,559,900) |
| | Federal | 6,720,600 | 7,637,900 | 7,472,300 | 917,300 | (165,600) |
| | Current Services and Other Revenue | 10,757,400 | 10,018,600 | 8,857,600 | (738,800) | (1,161,000) |
| 349 | Safety | \$138,472,700 | \$167,047,400 | \$163,186,300 | \$28,574,700 | (\$3,861,100) |
| | Appropriation | 98,128,200 | 121,412,600 | 120,010,300 | 23,284,400 | (1,402,300) |
| | Federal | 3,749,500 | 5,715,500 | 5,405,000 | 1,966,000 | (310,500) |
| | Current Services and Other Revenue | 36,595,000 | 39,919,300 | 37,771,000 | 3,324,300 | (2,148,300) |

Comparison of Programs

Fiscal Years 2001-2002, 2002-2003, and 2003-2004

| Allot. Code | Department | Actual 2001-2002 | Estimated 2002-2003 | Recommended 2003-2004 | Act. vs Est. Difference | Est. vs Rec. Difference |
|----------------|---|-------------------------|-------------------------|--------------------------|----------------------------|----------------------------|
| 351 | Miscellaneous Appropriations | \$22,061,100 | \$30,671,100 | \$143,040,800 | \$8,610,000 | \$112,369,700 |
| | Appropriation | 22,061,100 | 30,531,100 | 143,040,800 | 8,470,000 | 112,509,700 |
| | Current Services and Other Revenue | 0 | 140,000 | 0 | 140,000 | (140,000) |
| 353 | Emergency and Contingency Fund | \$0 | \$819,300 | \$819,300 | \$819,300 | \$0 |
| | Appropriation | 0 | 819,300 | 819,300 | 819,300 | 0 |
| 355 | State Building Commission | \$245,100 | \$250,000 | \$250,000 | \$4,900 | \$0 |
| | Appropriation | 245,100 | 250,000 | 250,000 | 4,900 | 0 |
| 359 | Children's Services | \$491,612,200 | \$544,018,000 | \$546,057,000 | \$52,405,800 | \$2,039,000 |
| | Appropriation | 246,857,500 | 256,510,100 | 260,094,400 | 9,652,600 | 3,584,300 |
| | Federal | 80,055,400 | 91,091,800 | 92,441,100 | 11,036,400 | 1,349,300 |
| | Current Services and Other Revenue | 164,699,300 | 196,416,100 | 193,521,500 | 31,716,800 | (2,894,600) |
| | Grand Total - General Fund | \$16,838,063,900 | \$17,930,528,900 | \$18,998,123,900 | \$1,092,465,000 | \$1,067,595,000 |
| | Appropriation | 7,515,811,200 | 7,974,964,400 | 8,316,867,100 | 459,153,200 | 341,902,700 |
| | Federal | 6,419,296,000 | 6,908,265,000 | 7,525,830,500 | 488,969,000 | 617,565,500 |
| | Current Services and Other Revenue | 2,280,382,900 | 2,389,432,400 | 2,497,559,200 | 109,049,500 | 108,126,800 |
| | Tuition and Student Fees | 622,573,800 | 657,867,100 | 657,867,100 | 35,293,300 | 0 |
| 400 | Transportation | \$1,299,242,600 | \$1,555,050,000 | \$1,443,590,000 | \$255,807,400 | (\$111,460,000) |
| | Appropriation | 747,985,000 | 669,750,000 | 622,850,000 | (78,235,000) | (46,900,000) |
| | Federal | 515,522,000 | 772,656,000 | 710,959,000 | 257,134,000 | (61,697,000) |
| | Current Services and Other Revenue | 35,735,600 | 35,644,000 | 35,781,000 | (91,600) | 137,000 |
| | Bonds | 0 | 77,000,000 | 74,000,000 | 77,000,000 | (3,000,000) |
| | Debt Service Requirements | \$247,527,000 | \$236,171,000 | \$232,360,000 | (\$11,356,000) | (\$3,811,000) |
| | Appropriation | 247,527,000 | 236,171,000 | 232,360,000 | (11,356,000) | (3,811,000) |
| | Capital Outlay Program | \$145,590,000 | \$137,476,000 | \$70,232,000 | (\$8,114,000) | (\$67,244,000) |
| | Appropriation | 115,576,000 | 27,913,000 | 0 | (87,663,000) | (27,913,000) |
| | Federal | 6,593,000 | 51,446,000 | 6,557,000 | 44,853,000 | (44,889,000) |
| | Current Services and Other Revenue | 23,421,000 | 10,952,000 | 19,675,000 | (12,469,000) | 8,723,000 |
| | Bonds | 0 | 47,165,000 | 44,000,000 | 47,165,000 | (3,165,000) |
| | Facilities Revolving Fund | \$99,452,300 | \$101,524,600 | \$99,321,600 | \$2,072,300 | (\$2,203,000) |
| | Appropriation | 113,800 | 321,600 | 321,600 | 207,800 | 0 |
| | Current Services and Other Revenue | 99,338,500 | 98,103,000 | 99,000,000 | (1,235,500) | 897,000 |
| | Bonds | 0 | 3,100,000 | 0 | 3,100,000 | (3,100,000) |
| | Cities & Counties - State Shared Taxes | \$650,202,000 | \$656,800,000 | \$613,600,000 | \$6,598,000 | (\$43,200,000) |
| | Appropriation | 650,202,000 | 656,800,000 | 613,600,000 | 6,598,000 | (43,200,000) |
| | Total State Budget - All Programs | \$19,280,077,800 | \$20,617,550,500 | \$21,457,227,500 | \$1,337,472,700 | \$839,677,000 |
| | Appropriation | \$9,277,215,000 | \$9,565,920,000 | \$9,785,998,700 | \$288,705,000 | \$220,078,700 |
| | Federal | 6,941,411,000 | 7,732,367,000 | 8,243,346,500 | 790,956,000 | 510,979,500 |
| | Current Services and Other Revenue | 2,438,878,000 | 2,534,131,400 | 2,652,015,200 | 95,253,400 | 117,883,800 |
| | Tuition and Student Fees | 622,573,800 | 657,867,100 | 657,867,100 | 35,293,300 | 0 |
| | Bonds | 0 | 127,265,000 | 118,000,000 | 127,265,000 | (9,265,000) |

* Included in Department Totals

**General Fund and Education Fund
Supplemental Appropriations
Fiscal Year 2002-2003**

2002-2003

| | |
|---|-------------------------------------|
| Court System - Guardian ad Litem | \$ 300,000 |
| Court System - Indigent Defendants Counsel | 4,000,000 |
| Sub-Total Court System | <u>\$ 4,300,000</u> |
| Correction - State Prosecutions | 10,400,000 |
| Education - BEP and Other LEA Support - Group Health Insurance Premium - 1-1-03 | 14,300,000 |
| F&A - Mental Retardation - Middle Tennessee Region - Jordan Forensic Center - Medicaid Decertification | 5,700,000 |
| Miscellaneous Appropriations - Rent | \$ 307,200 |
| Miscellaneous Appropriations - Retired Teachers Insurance | 1,301,000 |
| Sub-Total Miscellaneous Appropriations | <u>\$ 1,608,200</u> |
| Total Supplemental Appropriations | <u>\$ 36,308,200</u> |
| TennCare - Additional Expenditures | \$ 194,900,000 |
| TennCare - Budget Neutrality | 174,700,000 |
| Sub-Total TennCare | <u>\$ 369,600,000</u> |
| Grand Total Supplemental Appropriations | <u><u>\$ 405,908,200</u></u> |

**Summary Comparison of Tennessee Personal Income
and Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2002-2003, and 2003-2004**

TABLE 1

**Tennessee Personal Income
Calendar Years 1977, 2002, and 2003
(Dollars in Millions)**

| Year | Personal Income | Percentage Growth |
|------|--------------------|----------------------|
| 1977 | \$ 26,887 | - |
| 2002 | 160,543 | - |
| 2003 | 168,253 | 4.80 |

TABLE 2

**Appropriations from State Tax Revenues
Fiscal Years 1977-78, 2002-2003, and 2003-2004
(Dollars in Millions)**

| Year | Appropriations | Percentage Growth |
|-----------|----------------|----------------------|
| 1977-1978 | \$ 1,747.3 | - |
| 2002-2003 | 9,053.7 | - |
| 2003-2004 | 9,323.9 | 2.98 |

Note: This statement is presented in compliance with Tennessee Code Annotated, Title 9, Chapter 4, Part 52, relating to the calculation of estimated rate of growth of the state's economy and the appropriation of state revenue as required by Article II, Section 24, the Tennessee Constitution - the constitutional spending limitation.

Personnel and Funding Summary All Programs

| | Actual 2001-2002 | Estimated 2002-2003 | Recommended 2003-2004 |
|-----------------------------------|-------------------------|-------------------------|--------------------------|
| GENERAL FUND | | | |
| Personnel | | | |
| Full-time | 41,213 | 41,990 | 41,800 |
| Part-time | 1,361 | 1,370 | 1,346 |
| Seasonal | 878 | 857 | 854 |
| TOTAL | 43,452 | 44,217 | 44,000 |
| Expenditures | | | |
| Payroll | \$1,612,689,300 | \$1,831,508,800 | \$1,811,332,700 |
| Operational | 13,126,342,400 | 13,908,444,700 | 15,103,602,300 |
| TOTAL | \$14,739,031,700 | \$15,739,953,500 | \$16,914,935,000 |
| Funding | | | |
| State | \$6,487,296,700 | \$6,876,518,800 | \$7,321,274,400 |
| Federal | 6,355,122,700 | 6,849,843,700 | 7,467,409,200 |
| Other | 1,896,612,300 | 2,013,591,000 | 2,126,251,400 |
| HIGHER EDUCATION | | | |
| Full-time Personnel | | | |
| Administrative | 5,339 | 5,453 | 5,453 |
| Faculty | 8,432 | 8,591 | 8,591 |
| Clerical and Support | 8,862 | 8,842 | 8,842 |
| TOTAL | 22,633 | 22,886 | 22,886 |
| Funding | | | |
| State | \$1,028,514,500 | \$1,098,445,600 | \$995,592,700 |
| Federal | 64,173,300 | 58,421,300 | 58,421,300 |
| Tuition/Fees | 622,573,800 | 657,867,100 | 657,867,100 |
| Other | 383,770,600 | 375,841,400 | 371,307,800 |
| TOTAL | \$2,099,032,200 | \$2,190,575,400 | \$2,083,188,900 |
| GRAND TOTAL - GENERAL FUND | | | |
| Personnel | | | |
| Full-time * | 63,846 | 64,876 | 64,686 |
| Part-time | 1,361 | 1,370 | 1,346 |
| Seasonal | 878 | 857 | 854 |
| TOTAL | 66,085 | 67,103 | 66,886 |
| Expenditures | | | |
| Payroll | \$1,612,689,300 | \$1,831,508,800 | \$1,811,332,700 |
| Operational | 13,126,342,400 | 13,908,444,700 | 15,103,602,300 |
| Higher Education | 2,099,032,200 | 2,190,575,400 | 2,083,188,900 |
| TOTAL | \$16,838,063,900 | \$17,930,528,900 | \$18,998,123,900 |

* Full-time includes Higher Education's full-time personnel.

Personnel and Funding Summary All Programs

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Recommended 2003-2004</u> |
|---------|-----------------------------|--------------------------------|----------------------------------|
| Funding | | | |
| State | \$7,515,811,200 | \$7,974,964,400 | \$8,316,867,100 |
| Federal | 6,419,296,000 | 6,908,265,000 | 7,525,830,500 |
| Other | 2,902,956,700 | 3,047,299,500 | 3,155,426,300 |

DEPARTMENT OF TRANSPORTATION

| | | | |
|--------------|--------------|--------------|--------------|
| Personnel | | | |
| Full-time | 5,207 | 4,935 | 4,885 |
| Part-time | 0 | 0 | 0 |
| Seasonal | 31 | 0 | 0 |
| TOTAL | 5,238 | 4,935 | 4,885 |

| | | | |
|--------------|------------------------|------------------------|------------------------|
| Expenditures | | | |
| Payroll | \$172,071,200 | \$190,452,600 | \$198,492,600 |
| Operational | 1,127,171,400 | 1,364,597,400 | 1,245,097,400 |
| TOTAL | \$1,299,242,600 | \$1,555,050,000 | \$1,443,590,000 |

| | | | |
|---------|---------------|---------------|---------------|
| Funding | | | |
| State | \$747,985,000 | \$746,750,000 | \$696,850,000 |
| Federal | 515,522,000 | 772,656,000 | 710,959,000 |
| Other | 35,735,600 | 35,644,000 | 35,781,000 |

GRAND TOTAL - ALL PROGRAMS

| | | | |
|--------------|---------------|---------------|---------------|
| Personnel | | | |
| Full-time * | 69,053 | 69,811 | 69,571 |
| Part-time | 1,361 | 1,370 | 1,346 |
| Seasonal | 909 | 857 | 854 |
| TOTAL | 71,323 | 72,038 | 71,771 |

| | | | |
|------------------|-------------------------|-------------------------|-------------------------|
| Expenditures | | | |
| Payroll | \$1,784,760,500 | \$2,021,961,400 | \$2,009,825,300 |
| Operational | 14,253,513,800 | 15,273,042,100 | 16,348,699,700 |
| Higher Education | 2,099,032,200 | 2,190,575,400 | 2,083,188,900 |
| TOTAL | \$18,137,306,500 | \$19,485,578,900 | \$20,441,713,900 |

| | | | |
|---------|-----------------|-----------------|-----------------|
| Funding | | | |
| State | \$8,263,796,200 | \$8,721,714,400 | \$9,013,717,100 |
| Federal | 6,934,818,000 | 7,680,921,000 | 8,236,789,500 |
| Other | 2,938,692,300 | 3,082,943,500 | 3,191,207,300 |

* Full-time includes Higher Education's full-time personnel.

**Comparison of Authorized Positions
State Agencies and Higher Education
Fiscal Years 2002-2003 and 2003-2004**

| | <u>2002-2003</u> | <u>2003-2004</u> | <u>Difference</u> |
|---|------------------|------------------|-------------------|
| I. STATE AGENCIES | | | |
| General Fund | 44,217 | 44,000 | (217) |
| Full-time | 41,990 | 41,800 | (190) |
| Part-time | 1,370 | 1,346 | (24) |
| Seasonal | 857 | 854 | (3) |
| Department of Transportation | 4,935 | 4,885 | (50) |
| Full-time | 4,935 | 4,885 | (50) |
| Part-time | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 |
| Total State Agencies | 49,152 | 48,885 | (267) |
| Full-time | 46,925 | 46,685 | (240) |
| Part-time | 1,370 | 1,346 | (24) |
| Seasonal | 857 | 854 | (3) |
| II. HIGHER EDUCATION | | | |
| Full-time Positions | 22,886 | 22,886 | 0 |
| Administrative | 5,453 | 5,453 | 0 |
| Faculty | 8,591 | 8,591 | 0 |
| Clerical and Support | 8,842 | 8,842 | 0 |
| III. STATE AGENCIES & HIGHER EDUCATION | | | |
| Total Positions | 72,038 | 71,771 | (267) |
| Full-time * | 69,811 | 69,571 | (240) |
| Part-time | 1,370 | 1,346 | (24) |
| Seasonal | 857 | 854 | (3) |

* Includes Higher Education's full-time personnel.

Employees Overlapped Over 90 Days

| | <u>Number</u> |
|---|--------------------------|
| 301.00 Legislature | 2 |
| 302.00 Court System | 7 |
| 304.00 District Attorneys General Conference | 6 |
| 305.00 Secretary of State | 1 |
| 307.00 Comptroller of the Treasury | 1 |
| 316.00 Commissions | 2 |
| 317.00 Finance and Administration | 7 |
| 318.00 TennCare | 22 |
| 321.00 General Services | 1 |
| 324.00 Board of Probation and Parole | 1 |
| 325.00 Agriculture | 3 |
| 327.00 Environment and Conservation | 33 |
| 328.00 Tennessee Wildlife Resources Agency | 2 |
| 329.00 Correction | 91 |
| 331.00 Education | 5 |
| 335.00 Commerce and Insurance | 1 |
| 337.00 Labor and Workforce Development | 19 |
| 339.00 Mental Health and Developmental Disabilities | 418 |
| 341.00 Military | 3 |
| 343.00 Health | 8 |
| 345.00 Human Services | 62 |
| 348.00 Tennessee Bureau of Investigation | 1 |
| 349.00 Safety | 41 |
| 359.00 Children's Services | 28 |
| 400.00 Transportation | 4 |
| | <hr/> |
| Total | <u><u>769</u></u> |

Administration Priorities



Tennessee and the rest of the country are facing the worst fiscal crisis since World War II. In developing a balanced budget amidst these challenging and unpleasant realities, fiscal priorities are based on four basic criteria.

- Balance a budget without raising taxes.
- Invest in the future of Tennessee by protecting K-12 education.
- Ensure that state government continues to provide core, essential services.
- Increase efficiency and seize the opportunity to show that we can do more with less.

A balanced budget is a good start, but it is just a beginning. This budget reflects the sacrifices by Tennesseans who understand that we need to make tough choices and hard decisions to address this budget crisis. In the months and years ahead, together with the General Assembly and the people of Tennessee, this Administration can achieve significant progress in the areas of education, economic opportunity, the environment, children's issues, safe and healthy communities and a more responsive and responsible government.

A few of these priorities which the Administration has begun to address are:

Balanced Budget – Governor Bredesen believes it is his responsibility as Governor to introduce a balanced budget. In doing so, Governor Bredesen will continue to apply a hands-on approach to management and to allow a more open approach to the budget process.

Ethics in Government – Citizens should feel confident in their government and assured that public officials will approach their jobs in a highly ethical manner. In signing his first Executive Orders, Governor Bredesen created new ethics policies for Executive Branch appointees that verify conflicts of interests and disclose outside sources of income, hold department commissioners accountable by requiring them to certify the ethical conduct of their departments, and establish an ethics committee to serve as a watchdog entity over the Executive Branch.

Protecting Education and Addressing Teacher Pay – K-12 education is an investment in Tennessee's future. Governor Bredesen will continue to protect the full funding of the

Basic Education Program. In addition, \$26.7 million is recommended in this budget as the first step in addressing the Tennessee Supreme Court ruling. Governor Bredesen also formalized a Task Force on Teacher Pay to recommend a comprehensive solution to teacher salary equity and overall teacher pay.

Jobs Cabinet – Governor Bredesen believes creating more and better job opportunities is a key to improving life in Tennessee. Tennessee must diversify in order to compete in a rapidly changing economy. The creation of the Jobs Cabinet will coordinate efforts at the highest levels of state government to create better-paying, higher-skilled jobs for working Tennesseans.

Children– Every child deserves to grow up healthy and happy. Governor Bredesen wants the state to work with families, agencies and foster parents to help protect children. Governor Bredesen is committed to creating a Children’s Cabinet to encourage better cooperation between agencies responsible for children’s welfare.

Statewide Imagination Library Initiative – Governor Bredesen wants to ensure that every child reads at grade level by the end of the third grade. Successful early childhood reading initiatives have been proven to make a significant impact on a child’s ability to learn. Governor Bredesen is committed to expanding Dolly Parton’s Imagination Library program statewide through a public-private partnership. This program allows every child from birth to the start of kindergarten to receive a book per month.

Safety and Homeland Security – Safe communities are vital to the health and well being of all Tennesseans. Governor Bredesen is proposing the elimination of the statute of limitations for rape and sex crimes committed against children. Governor Bredesen also understands that homeland security must be our first priority and has elevated the Office of Homeland Security to be treated as a cabinet-level post.

TennCare – TennCare is a good initiative that must be fundamentally fixed. It is crucial to get TennCare back on track while still ensuring that people who need appropriate medical coverage receive it. Addressing eligibility, aligning benefits with the state’s ability to pay, and toughening regulation of managed care organizations will all be critical reform efforts necessary for the survival of the program.

Tennessee Program History



Children

Children's Services

Social services to children are consolidated in the Department of Children's Services. The department's goals are to:

- Provide appropriate care for children in custody close to home and return them to their families or provide for permanency of care in a timely manner;
- Work with communities to provide prevention and intervention services to protect children, strengthen families and supervise youthful offenders;
- Increase community involvement, local decision-making and accountability for funding and services; and
- Create an effective management and delivery system to ensure services are provided in a timely and cost effective manner.

Improvement of Health and Behavioral Health Services — The Department of Children's Services (DCS) wants all children in custody to have timely medical and dental screenings and appropriate medical treatment; this EPSDT (Early and Periodic Screening, Diagnosis, and Treatment) is part of the medical intervention given to all children entering custody. EPSDT screenings are the "gateway" to preventive care

and referrals for appropriate care and treatment. The department added regional health units comprised of a Children's Services TennCare representative, a nurse practitioner or nurse, and a part-time psychologist. In addition, a medical services director was hired. Between January 1999 and June 2002, EPSDT completion rates improved from 50% to 94%, and dental screenings increased from 43% to 87%.

Review of Foster Care and Adoption Programs — The Department of Children's Services worked closely with the Child Welfare League of America (CWLA) in an extensive review of Tennessee's foster care and adoption programs. CWLA helped the department to assess the current status of these programs and to develop strategies for change based upon the review. Based on recommendations by the CWLA, legislation was passed and implemented to improve services to children in foster care. CWLA developed a three-year plan to help the department implement the results of the review. The CWLA plan is completely funded in the current year. Additional funds are recommended in 2003-2004 to continue child welfare improvements, addressing issues settled by the state and plaintiffs in the *Brain A.* lawsuit agreement.

System-wide reform efforts were underway when Children's Rights, Inc., in May 2000, filed a class action lawsuit on behalf of children in foster care and adoption services in Tennessee. The department participated in a mediation process with the plaintiffs' attorneys

and signed the *Brian A.* settlement agreement in July 2001, which is guiding the department through a four and one-half year reform plan. The settlement agreement stipulates outcomes and performance indicators that must be met for successful resolution of the lawsuit. It appointed an independent monitor to assess the department's compliance with required actions and meeting of performance levels. In addition, it created a five member Technical Advisory Committee, funded by the Annie E. Casey Foundation, to advise DCS on child welfare policy, management, and practice issues.

Funds were provided in FY 2002-2003 to reduce foster care caseloads and were provided in 2002-2003 and are recommended in 2003-2004 to decrease supervisor-to-case manager ratios for units managing custodial cases, meet increases in demand for adoption assistance, and enhance permanent custodial placement through the creation of Permanency Support units in each region. Twelve educational specialists and 12 educational attorneys were hired to represent and advocate for educational resources for children in custody or at risk of entering custody. Plans were formulated for children in less intensive facilities and group homes to be reintroduced into local school system settings. Additional resources were also provided to expand efforts to recruit new foster and adoptive homes.

The department expanded its Training division to provide enhanced pre-service training to all new staff and improved in-service training to all continuing staff and supervisors. The division began providing pre-service training for case managers in their own regions, rather than centrally, in order to accommodate staff more easily and to provide training more efficiently. DCS created an internal Quality Assurance division to work closely with the *Brian A.* monitor in evaluating the effectiveness of casework practice and systemic improvements. A Compliance division was developed to ensure compliance with the settlement agreement by coordinating the department's improvements with the monitor, Technical Advisory Committee and the plaintiffs' attorneys.

Increased Focus on Adoption — Critical to the department's mission, and a major goal, is the timeliness of achieving a child's permanency through adoption. The department has a strong mandate to move children to permanency more quickly, whether that is return of the child to his or her natural home or to an adoptive placement. In order to improve the current adoption system, the department is working closely with providers, the courts, and child advocates to expand recruitment of adoptive homes and to remove legal and administrative barriers that have hampered adoptive placements. This strategy will help to increase the number of adoptive placements and to shorten the time children are in state custody. Between FY 1998-1999 and FY 2001-2002 the number of annual finalized adoptions completed increased from 382 to 922.

More Concentration on Independent Living — The department provides independent living services to all foster care youth, ages 14 and above. An Independent Living assessment is conducted on all youth beginning at the age of 14 to assist in planning to meet individual needs, and independent living goals are addressed on all permanency plans for youth from that age. These services are designed to give youth the necessary skills to become productive citizens. Youth are taught skills to assist them in employment, decision-making, problem solving, housing, transportation, education, literacy, and knowledge of community resources.

Youths may also continue to receive support, including Independent Living services on a voluntary basis, past age 18 years and up to 21 years, if they are in custody on their 18th birthday and if they are participating in an educational or job training plan. Youths who age out of care at 18 and elect no longer to receive services voluntarily are able to receive periodic assistance and support from the department.

Each of the 12 geographic regions of the department has an Independent Living consultant provided through a contract with the University of Tennessee College of Social Work, Office of Research and Public Service.

These consultants work directly with youths in Independent Living Skills development groups. The consultants also work with educational resources to meet individual needs, as well as are developing community-based resources and networking with communities to highlight and to meet the needs of the communities' youths. These consultants have direct contact with DCS and agency staff to assist them in developing skills and awareness to meet the range of needs of youth in care.

The implementation of the federal 1999 Chafee Foster Care Independence Act has increased the funds available to assist youths leaving care and has increased the focus on meeting the needs of this significant population of children in custody in Tennessee.

Improving Child Abuse Prevention and Detection — All newly employed Child Protective Services staff and selected law enforcement child protection investigative team members have received training in advanced investigation techniques. The department has strengthened its ability to assist local efforts through the stationing of Child Protective Services staff in Child Advocacy Centers in Sullivan, Hamilton, Montgomery, Knox, Davidson, Robertson, Lawrence, Madison, Tipton, Henderson, and Shelby counties. The department has worked with the General Assembly to pass legislation establishing seven forensic child interviewer positions located in Child Advocacy Centers in each grand division of the state. The department received funds to complete implementation of a centralized intake system for receiving and responding to child abuse reports in the FY 2002-2003 budget.

Implementing the Family Support Services Program — One goal of the Department of Children's Services is to provide community prevention and intervention services to keep our children and communities safe. To achieve this goal, DCS has developed a non-custodial Family Support Services (FSS) program. The community-based FSS program provides targeted case management and purchased services to families and children to prevent or

solve problems that would ultimately result in the child being placed in the custody of the state. The FSS program allows clients access to a full continuum of services without going from agency to agency. The Family Support Services program was expanded statewide in FY 2001-2002 and is expected to serve over 2,900 children and their families.

Continuing the Successful Family Crisis Intervention Program (FCIP) — The Family Crisis Intervention Program (FCIP) serves unruly children who have committed an offense that would not be illegal for an adult; this child could be a truant, a runaway, or be beyond the control of the parent. By law, if the department is unsuccessful in helping the family resolve their issues with the child, this program may certify to the court that further intervention is warranted, including, but not limited to, commitment to state custody. The FCIP program relies on crisis intervention techniques to help families resolve their issues with the child. Services are short term, typically 30 days or less. FCIP received over 7,000 referrals in FY 2001-2002 with a success rate of 96% in preventing the breakup of families and the placement of children into state custody.

TN KIDS Information Management System — Tennessee has implemented a new child welfare information management system called TN KIDS. This system provides front line case managers, supervisors and management with the information and tools to retrieve data and information essential to tracking, managing, and planning services for all children under our care. In order to assure the availability of information needed by staff, TN KIDS has been developed with extensive input and involvement of all levels of departmental staff. Eligibility determination, contracts, and fiscal modules are being developed and added to the system.

Outcome-Based Contracting — The Department of Children's Services has improved contracting with service providers by focusing on desired outcomes. All agencies under contract with the department now have

outcome measures for tracking success, services, and the matching of contract agency activities with the goals of the Department of Children's Services. By reporting and tracking outcome expectations, providers and the department can evaluate programs, impact of services, and coordinate needs and goals.

Juvenile Facilities — Specialized treatment programs are being developed to address treatment needs of youth committed to the department's four secure youth development centers. A violent offender program was implemented at Taft Youth Development Center. Sexual offender treatment programs are being implemented in each of the four youth

development centers. Alcohol and drug treatment programs will also be enhanced.

Relative Caregiver Program — As the result of legislation passed by the Tennessee General Assembly, a two-year pilot Relative Caregiver Program was started in FY 2000-2001. This program developed out of recognition that abused or neglected children, or children whose parents are unable to provide for them, are best served if cared for by other suitable family members instead of being placed in foster care with unrelated caregivers. The pilot program was established in three sites covering 16 counties. The pilot was extended for two additional years in the FY 2002-2003 budget.

Education

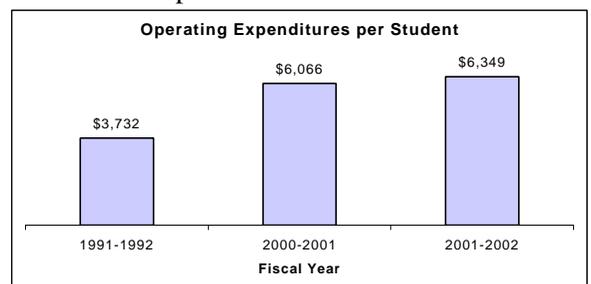
K-12 Education

In 1992, the state made a significant commitment to improve K-12 public education. The funding formula established by the 1992 Education Improvement Act is called the Basic Education Program (BEP). The BEP provides funds to local school systems based on their student membership and costs of certain educational components shared with the community's relative ability to fund education. Educational components are divided into two categories: classroom and non-classroom. Classroom components include items such as teachers, instructional equipment, supplies and materials, and textbooks. Non-classroom components include such items as transportation, superintendents, construction, and maintenance and operations. Classroom components are funded 75% by the state and non-classroom components are funded 50% by the state.

Since 1991-92, over \$1.3 billion in new recurring funds will have been invested in the BEP as of 2003-2004. The proposed 2003-2004 budget recommends an additional \$26.7 million for teacher salary equalization. In the past, the State has provided \$12.3 million in recurring funds for teacher salary equalization. The total

recommended in this budget for salary equalization is \$39 million. The new \$26.7 million addresses the Constitutional issue decided by the Tennessee Supreme Court. This will provide initial funding to the lowest paying local education agencies, raising all local education systems to a minimum \$37,000 teacher salary average. An estimated 17,161 teachers in 75 school systems will receive a salary increase. \$5.9 million of these funds will be dedicated to holding harmless those school systems not receiving additional teacher salary equalization funds under this appropriation.

According to the Department of Education's 21st Century Schools Report Card, between 1991-92 and 2001-2002, average expenditures per student grew from \$3,732 to \$6,349, an increase of 70%. Student enrollment in Tennessee's schools has grown by 8.7% in the same time period.



Higher Education

Tennessee is competing against other states in the Southeast and the nation that have recognized the importance of a quality higher education system. In regional and national comparisons, Tennessee's colleges and universities do not rank among the top tier schools. The quality of the faculty and the facilities must be raised to higher levels, and a commitment must be made to increasing educational attainment of the citizens of Tennessee.

The state must encourage more people to earn a post-secondary degree. Only 19.6 percent of Tennesseans over the age of 25 have a college degree, compared with the national average of 24.4 percent and the southern average of 22.4 percent. A college education is important to the individual, as well as society, because of the difference in income realized through education. According to 2000 census data, a person with a bachelor's degree has an average annual income of \$51,644, compared with \$27,975 for a person with a high school diploma. The difference in income will result in financial benefits to society through increased spending in the economy and through increased revenues to the state. Additionally, a better educated workforce will help in recruiting industry, as companies require highly skilled workers who can be used in today's high-tech economy. Spending on higher education can be viewed as an investment with solid returns to the individual, the business community, and the state.

Although funds have not been available to implement many of the recommendations of the 1999 report of the Council on Excellence in Higher Education, the goals suggested in the report remain sound. As the state budget picture improves in the future, higher education needs of Tennesseans should be addressed. According to the 1999 report of the council, Tennessee has few students with high SAT scores who apply to in-state universities. That report raised concerns that Tennessee's brightest students do not see the higher education opportunity in our state

that they desire. Were it not for our private colleges and universities, Tennessee would be a net exporter of college-bound students.

In its report, the Council on Excellence in Higher Education presented a blueprint for making Tennessee's public higher education system among the nations very best. The report included five broad recommendations to improve the state's higher education system:

- Define and adopt a modern system-wide mission;
- Establish goals and performance targets in keeping with the mission;
- Authorize the Tennessee Higher Education Commission to ensure that programs, institutions, and operating components are aligned with the goals;
- Strategically increase funding and link allocated revenues to performance goals; and
- Enhance governing authority and reorganize the governing board appointment process.

While acknowledging the goals of the Council on Excellence in Higher Education, one also can recognize many of the common-sense recommendations of the later plan of action suggested by the Tennessee Higher Education Commission (THEC). Given the austere funding situation and the limited prospect for additional support in the near future, higher education cannot continue to operate on the basis of business as usual. While the goal of providing access for all Tennesseans remains constant, the responsibility remains to provide the highest quality educational product to the taxpayers of Tennessee. The THEC plan of action attempts to balance this tension and provides assurance that institutions will continue to offer the highest quality education possible, while constantly seeking to operate

efficiently and making the best use of technology.

The plan of action represents an effort on behalf of Tennessee higher education to address a variety of policy concerns, given conditions of fiscal austerity. The following policy options represent several of the core components of the plan:

- The development of specific enrollment ranges for funding purposes at the four-year institutions;
- Increased admissions standards for universities;
- Removal of state appropriations for remedial coursework and a reduction in appropriations for developmental instruction at the state's four-year institutions;

- Creation of a more stringent review process for new academic programs;
- Limiting expenditures of student fees and state appropriations for intercollegiate athletics;
- Revision of the funding formula;
- Termination of several associates programs at the university level; and
- Implementation of a variety of initiatives that will allow higher education to better serve its accountability mission.

Economic Opportunity

Economic Development

Leading companies from around the world are discovering the advantages of doing business in Tennessee. With our prime geographic location, skilled workforce, outstanding transportation network and pro-business environment, Tennessee has earned a solid reputation as a premier business location.

From the automotive industry to technology development, to printing and publishing, to warehousing and distribution, our diverse business base speaks volumes as to the wealth of economic and lifestyle advantages and opportunities that, quite simply, help companies build better products more efficiently in Tennessee.

Tennessee's bright business climate, along with quality of life and cultural diversity, offers companies more options than ever.

- According to data from the U.S. Department of Commerce, Tennessee is ranked among the top ten states in the nation for number of jobs linked to foreign investment and ranked eleventh in the nation in manufacturing jobs.
- Tennessee is the employment leader in automotive manufacturing in the Southeast region with 16,200 employees, which represents 30 percent of the Southeast region's total automotive manufacturing employees.

Tennessee remains committed to enhancing community quality of life and increasing family income by creating better-paying, higher-skilled job opportunities with a future. The state engages in the following activities to accomplish these goals:

Tennessee Business Services — Tennessee Business Services (TBS) provides the assistance communities and employers need to attract, maintain, and increase jobs in Tennessee. TBS works with a network of organizations statewide to help assure the success of existing business and to encourage their expansion. Business development activities include:

- A statewide manufacturing resource network to help manufacturers solve problems and become more competitive through the Manufacturing Means Jobs initiative;
- Offering engineering, technical and training assistance to manufacturers through the Tennessee Manufacturing Extension Partnership;
- Small Business Services works to assure the success of small businesses statewide through its small business information guide and assistance programs;
- The department partners with the Tennessee Small Business Development Center network to provide entrepreneurs and small business owners with easily accessible counselors in 14 center locations statewide to assist them in starting and growing their small businesses; and
- The Office of Minority Business Enterprise facilitates the resources needed in assisting minority businesses in growth and business development.

Marketing & Recruiting — Enhancing Tennessee's image as a premier business location is the primary focus of the marketing team. International business promotion and recruitment are emphasized, as well as strategic conferencing and direct target marketing to high-growth industries and companies. Additional activities include:

- Providing prospects with a general or prospect-specific packet with information on taxes, transportation systems, labor statistics and environmental regulations;
- Recommending available facilities or industrial sites to prospects;
- International recruitment; and
- The Tennessee Industrial Infrastructure Program (TIIP) works with communities and regions to provide industrial infrastructure support on issues like water, sewer and rail sidings. TIIP serves as an incentive in the process of encouraging private sector firms to locate or expand their financial investments in Tennessee.

Community Development — Community Development works with Tennessee communities to prepare and compete for economic development and to improve community quality of life.

- The Three-Star Program helps communities take full advantage of economic development opportunities, preserve existing employment, create new jobs and increase family income.
- The Energy Division promotes economic growth by helping businesses and government organizations improve energy efficiency.
- The Local Planning Assistance program provides technical assistance to help local governments strengthen their planning and community development efforts.

Tourist Development — The travel and tourism industry is an important factor in Tennessee's economy. Domestic and international travelers to Tennessee annually spend nearly \$10.4 billion. As a result of spending by travelers, tourism provides jobs for over 176,000 Tennesseans, and tax revenues for state and local governments totaling over \$855 million.

Approximately 35.7 million people visited Tennessee in 2002, making Tennessee one of the nation's most popular destinations.

Because of the jobs and tax revenues produced by tourism, national and regional competition for tourism continues to be high. In order to increase its share of tourist dollars, Tennessee must aggressively market and promote the state's assets. Some of the Department of Tourist Development's marketing programs include national broadcast and print advertising campaigns and direct sales programs targeted at group tour companies, travel agents, and international tour operators. In addition, the department makes co-op advertising projects available to the tourism industry, develops rural and heritage tourism opportunities through promotion programs, promotes Tennessee to the media and national travel press, and develops Tennessee publications which are distributed to customers. The department also operates the state's 13 welcome centers, which provide literature, information and reservations to the millions of travelers who visit Tennessee.

Families First

Families First is Tennessee's version of the federal Temporary Assistance to Needy Families (TANF) program. The program emphasizes personal responsibility, work requirements, time limits for assistance, and education and job training. Families First also provides its participants child care, transportation, increased coordination with child support enforcement, and transitional benefits.

Personal Responsibility — The foundation of Families First rests on the individualized Personal Responsibility Plan. This plan, developed between the participant and the caseworker, outlines the steps towards self-reliance:

- Failure to participate in work activities and reach the goals specified in the plan can reduce or eliminate benefits;
- Teen parents must stay in school and live at home with parents or another

responsible adult; and

- Parents must ensure all eligible children attend school, infants and youth must be immunized, and children's health checks must be current.

Work Requirements — Work builds self-esteem and independence from welfare assistance. While working, participants will also gain experience for greater responsibilities and career advancement:

- Non-exempt participants will be required to work or engage in work-related training or education 40 hours a week;
- Those who are unable to find a job must engage in employment or career counseling, community service, or job readiness classes.

Education and Job Training — While many Families First participants currently have some combination of education and work experience, many need job training classes to enhance their employability:

- Education and job-related training counts as part of a participant's 40-hour work requirement;
- Participants testing below a 9th grade functional literacy level can enroll in 20 hours a week of adult basic education and be exempted from additional work and time limits until they reach the 9th grade level.

Support Services — Certain support services are provided to those individuals who work or participate in education, employment training, counseling, or treatment services. These services include:

- Transportation (including a First Wheels Vehicle interest free loan for qualified individuals);

- Child Care;
- Dental and Optical Assistance;
- Uniforms and other clothes needed for work or training; and
- Other supportive services necessary for work or training.

Time Limited Benefits — Limits on benefits have been established as a means of encouraging participants to work towards self-sufficiency.

- Benefits for non-exempt participants are limited to 18 months at any one time, which may not be consecutive, and to five years over the course of a lifetime.
- Exemptions to this requirement include disabled caregivers; caregivers ages 60 and over; caregivers assisting disabled family members; families who do not have an adult included in the grant amount; individuals functioning under 9th grade level who attend basic education classes; and parents who are not able to secure child care, transportation, or training that is needed to comply with Families First.

Family Services Counseling — Individuals who have significant barriers to obtaining employment may qualify for family services counseling assessments and services while on cash assistance and for 12 months after leaving the program. These services cover:

- Mental Health issues;
- Drug and alcohol problems;
- Learning disabilities;
- Domestic violence issues; and
- Children’s health and behavior issues.

Transitional Benefits — In order for families to sustain self-sufficiency, many benefits will be extended beyond the period of cash assistance. Availability of these benefits can be up to 18 months after full employment begins and can include:

- Child care;
- Transitional Medicaid;
- Food Stamps;
- Family Services counseling;
- First Wheels vehicle loans; and
- Transportation.

Child Support Enforcement — Many of the families enrolled in Families First would not need assistance if child support payments were made. Families First expects participants to:

- Identify the father of dependent children;
- Help find the absent parent and establish paternity.

In addition to these efforts, Tennessee has also passed the license revocation law, implemented the Tennessee Child Support Enforcement Computer System (TCSES), and utilized the internet in location of delinquent parents.

Child Care — The Department of Human Services’ initiatives in child care have focused on three central issues: quality, affordability, and availability.

- The “Star-Quality” system includes the annual mandatory and voluntary rated licensing programs for licensed child care agencies. Centers, group, and family child care homes are evaluated on a number of quality measures and may receive 1, 2, or 3 star ratings indicating higher levels of quality achieved.
- The Tennessee Early Childhood Training Alliance (TECTA) is a statewide education and training service offered throughout Tennessee Board of Regents institutions. No- or low- cost training is available to child care providers to assist them in meeting licensing standards and further enhancing their professional development.

- Infant and Toddler Model Sites is an initiative to develop family homes and centers around the state as models for training and for applying a nationally-recognized program for enhancing the development of infants and toddlers.
- The department continues to support over 56,000 child enrollments monthly for low-income, working families through its Child Care Certificate (Subsidy) Program. Reimbursement rates to participating providers are based on prevailing market rates.

- Employed 13.3%
- Adult Education 8.6%
- Work preparation or Job skill training 42.1%
- Exempt caretaker 21.2%
- Child only care 25.9%
- Family Service Counseling 5.2%

While some families will continue to experience personal and financial setbacks which require assistance, Families First helps ensure that their need is temporary and that families quickly return to stability and self-reliance.

Program Outcomes — The average monthly welfare caseload for FY 2001-2002 was 63,156 families, down by 28,343 cases (from 91,499 in August, 1996). As of December 2002, Families First participants were involved in the following activities:

Public Health

TennCare

On July 1, 2002, Tennessee reached a new five-year agreement with the federal government to continue TennCare, which began in 1994. The two primary TennCare products are TennCare Medicaid and TennCare Standard.

TennCare Medicaid is a continuation of the federal Medicaid program. TennCare Standard is similar to a commercial HMO package and is available to certain low-income uninsured persons and medically eligible citizens.

TennCare Partners — In July 1996, mental health services were merged into a managed care system called TennCare Partners. This new system utilizes two behavioral health organizations (BHOs) to manage mental health services similar to the TennCare MCOs. They serve all enrollees of the TennCare Program and the Department of Mental Health and Developmental Disabilities priority population. These services include:

- Psychiatric and substance abuse inpatient treatment;
- Outpatient mental health and substance abuse treatment;
- Psychiatric pharmacy services;
- Transportation to covered mental health services; and
- Other specialized mental health treatment, such as case management and crisis services.

Mental Health and Developmental Disabilities — The Department of Mental Health and Developmental Disabilities is currently implementing a major initiative called the Creating Homes Initiative. Through this

initiative the department is working to create safe, affordable, appropriate, and quality housing for Tennesseans with mental illness. This initiative is built on partnership with key Tennessee community leaders representing consumer, family member, mental health, community social service provider, landlord, realtor, faith-based, nonprofit, bank, government, foundation, mental health, and housing agency sectors. Specifically this landmark initiative proposes to do the following in partnership with the previously mentioned key leaders:

- Create new and improved permanent housing options for Tennesseans with mental illness;
- Aggressively and strategically seek out and collaborate with potential untapped funding entities to leverage state dollars

and funnel housing funds to local communities;

- Achieve greater parity in the availability of safe, affordable, and appropriate housing for people with mental illness, as compared with the population at large;
- Reduce the recidivism rate of persons diagnosed with a mental illness who are in our criminal justice system because of the lack of community housing and support systems; and
- Reduce the rate of unnecessary stays in hospital beds in regional mental health institutes that are directly attributable to inadequate, available housing.

Homeland Security

In response to the events of September 11, 2001, Tennessee has established the Office of Homeland Security. Funds have been provided to various departments for water supply protection, bomb and arson investigations, military equipment, emergency management, biological and other local health services, food and agricultural protection, criminal intelligence analysis and investigation, additional trooper equipment and operational costs, and additional security of state property and mail.

The Homeland Security Office is responsible for developing and implementing a comprehensive strategy to secure the State of Tennessee from terrorist threats and attacks. The office interacts with the federal Department

of Homeland Security and coordinates state homeland security actions through the state Homeland Security Council in order to ensure a safe and healthy environment for all Tennesseans.

The General Assembly enacted the “Terrorism Prevention and Response Act of 2002”. The Act defines and classifies specific terrorist related criminal offenses, establishes the appropriate jurisdiction for terrorist related criminal offenses, and details procedures for investigating terrorist related activities.

Natural Resources

The Environment

Tennessee continues to be a leader in innovative approaches to protecting the environment and conserving natural resources in the Southeast.

Water Quality – Siltation is the largest cause of water quality impairment in Tennessee streams. TDEC has launched a pilot program to train developers, contractors, road builders, and others involved in land disturbance on the best practices for preventing erosion and water pollution. The department also launched a new emphasis on preserving small streams, which are vital to overall water quality, flood control and wildlife.

The U.S. Environmental Protection Agency (EPA) has approved 70 total maximum daily load (TMDL) studies by TDEC. TMDLs provide the foundation for reducing specific pollutants in individual streams.

TDEC continues to help communities across the state improve their wastewater treatment services. Tennessee awarded over \$23 million in 2002 to local governments from the Clean Water State Revolving Fund.

Drinking Water – Tennessee is training water system personnel on a number of new rules that became effective in January, 2002. These include interim enhanced surface water treatment requirements, revisions to the lead and copper rule and new disinfection byproduct standards. The state awarded more than \$22 million in funds from the Drinking Water State Revolving Fund in 2002 to improve local drinking water treatment facilities.

Special assistance has been given to water suppliers to ensure the safety of water treatment facilities and their infrastructure following the terrorist attacks of Sept. 11, 2001.

Natural Areas and Scenic Rivers – Tennessee now has 66 designated State Natural Areas covering more than 100,000 acres. Twenty-nine

of those areas have been added since 1994, with more under consideration.

Four new State Natural Areas were established and five existing areas were expanded in 2002. Natural Areas protect the habitat of rare and endangered plants and animals. Natural areas also provide opportunities for outdoor recreation such as nature photography, study and hiking. The Scenic Rivers program has a pilot, voluntary land preservation effort along the newly designated Duck Scenic River in Maury County. TDEC is responsible for a total of 13 designated State Scenic Rivers.

Water Supply – The Tennessee Department of Environment and Conservation (TDEC) is implementing the Inter-Basin Water Transfer Act of 2000. This law addresses increasing demands for water and protects supply for downstream users.

Air Quality – Tennessee is preparing to meet stricter new standards for ground-level ozone and fine particulate matter.

An ozone forecasting program based on the new ozone standard has begun in Kingsport, Knoxville, Nashville, and Memphis to give citizens advance warning should ozone reach unhealthy levels.

Tennessee has worked with the Tennessee Valley Authority to get a plan in place for significant early reductions of nitrogen oxides and sulfur dioxide at several fossil-fuel plants across the state. Additionally, Tennessee is working with Georgia, North Carolina and South Carolina to develop a joint multi-pollutant air strategy to reduce power plant emissions and to develop innovative regional transportation and energy plans to improve air quality in the region.

Solid and Hazardous Waste – In 2002, TDEC conducted 412 inspections of permitted hazardous waste treatment, storage and disposal

facilities, and hazardous waste generators. Staff reviewed approximately 3,503 annual reports from hazardous waste facilities to ensure proper management of hazardous waste from "the cradle to the grave."

TDEC directed investigations and cleanup activities at 273 brownfields, contaminated drycleaners, and inactive hazardous substance sites. Responsible parties reported spending \$16.1 million to treat and dispose of 15,250 tons of contaminated soil.

TDEC also worked with approximately 300 other contaminated sites and received over 400 notifications of spills and releases. TDEC's emergency response contractor cleaned up abandoned hazardous materials at 12 sites.

Strong Enforcement for Polluters – TDEC continues to move swiftly against those who break environmental laws. In calendar year 2002, TDEC issued 832 enforcement orders assessing over \$6.3 million in penalties.

Radiological Health – TDEC is implementing a major change in its program for x-ray inspections performed by outside consultants, known as registered inspectors. This is the first major change since the program began in 1982. The changes will improve the timeliness of correction of violations noted by the inspectors and will improve the efficiency of inspection planning overall.

Homeland Security – TDEC is coordinating internally and with other state, local and federal agencies to ensure Tennesseans are protected from any threats to our air, land and water from terrorism.

Conservation

State Parks – Tennessee State Parks are open. State parks are a favorite destination for families

and conferences alike, drawing over 30 million people each year.

To enhance revenue at resort parks, TDEC is improving the State Parks web site, which received over 450,000 hits per month in 2002. The improvements will help make the most of this effective and inexpensive marketing tool.

To help support park maintenance and operations, the department is collecting access fees at 23 state parks. The department collected \$579,251 in access fees in the last fiscal year.

Recreation Education – The Parks and Recreation Technical Advisory Services (PARTAS) established regional offices in East, Middle, and West Tennessee to better serve local governments. PARTAS provides technical assistance and education to professionals across the state, while setting the benchmark for safety and trends in parks and recreation.

In cooperation with the Council on Greenways and Trails, TDEC completed the Tennessee Greenways & Trails Plan. The plan identifies and addresses critical issues related to the development of a statewide greenway and trail system.

Geology and Archaeology – TDEC staff investigated more than 50 geologic hazards and responded to nearly 350 other geologic information requests in the last fiscal year. The State Oil and Gas Board issued 140 oil and gas well permits. Staff performed 550 site inspections, issued seven citations, and plugged 130 wells.

TDEC maintains records on 20,000 known archaeological sites and all previous studies in Tennessee. Using this information, division staff works with federal, state and local governments and private developers to find innovative ways to protect and preserve archaeological sites.

Tennessee Characteristics

Demographic Characteristics ¹

| | 1990 | 2001 |
|------------------|-----------|-----------|
| Total Population | 4,877,203 | 5,740,021 |

| | 1990 | 2000 |
|------------------------------------|-------|-------|
| Percent of Population by Age Group | | |
| Under Age 5 | 7.0% | 6.6% |
| Age 5 to 17 | 18.1% | 18.0% |
| Age 18 to 24 | 10.9% | 9.6% |
| Age 25 to 64 | 51.4% | 53.4% |
| Age 65 and Older | 12.6% | 12.4% |

| | | |
|------------|------|------|
| Median Age | 33.5 | 35.9 |
|------------|------|------|

| | | |
|-----------------------------------|-------|-------|
| Percent of Population by Race | | |
| White | 83.0% | 80.2% |
| Black or African American | 16.0% | 16.4% |
| American Indian and Alaska Native | 0.2% | 0.3% |
| Asian and Pacific Islander | 0.7% | 1.0% |
| Other | 0.2% | 2.1% |

| | | |
|---|------|------|
| Hispanic Population (Percent of Total Population) | 0.7% | 2.2% |
|---|------|------|

| | 1996 | 2001 |
|---|----------|----------|
| Per Capita Income ² | | |
| Tennessee's Per Capita Income | \$22,022 | \$26,988 |
| U. S. Per Capita Income | \$24,270 | \$30,472 |
| Tennessee's Per Capita Income as a Percent of the U. S. | 90.7% | 88.6% |
| Tennessee's Rank in U. S. by Per Capita Income | 32 | 34 |

| | 1989 | 2001 |
|--|-------|-------|
| Percent of Population Below Poverty ³ | 15.7% | 13.8% |

Education Characteristics ⁴

| | 1997-1998 | 2000-2001 |
|---|-----------------|-----------------|
| Total Number of Public Schools | 1,575 | 1,623 |
| Total K-12 Public School Average Daily Attendance (ADA) | 834,318 | 844,497 |
| Total Operating Expenditures | \$3,911,246,800 | \$5,113,097,100 |
| Public School Per Pupil Expenditures (based on ADA) | \$4,688 | \$6,055 |

Employment ⁵

| | 1997 | 2001 |
|---|-----------|-----------|
| Civilian Labor Force | 2,711,100 | 2,817,700 |
| Employment | 2,564,800 | 2,691,700 |
| Unemployment | 146,300 | 126,000 |
| Unemployment Rate | 5.4% | 4.5% |
| | | |
| Non-Agricultural Employment - Percent by Industry | | |
| Mining | 0.2% | 0.1% |
| Construction | 4.6% | 4.5% |
| Manufacturing | 20.0% | 17.6% |
| Durable Goods | 11.2% | 10.4% |
| Non-Durable Goods | 8.9% | 7.3% |
| Retail Trade | 18.0% | 18.2% |
| Wholesale Trade | 5.6% | 5.3% |
| Services | 26.4% | 27.8% |
| Finance, Insurance, & Real Estate | 4.6% | 4.9% |
| Transportation, Communication, & Public Utilities | 5.8% | 6.6% |
| Government | 14.7% | 14.8% |
| Federal | 2.0% | 1.9% |
| State & Local | 12.7% | 12.9% |

Physical Characteristics ⁶

| | |
|------------------------------------|---------------------|
| Land Area | 41,220 Square Miles |
| Highest Elevation (Clingmans Dome) | 6,643 Feet |

¹ Source: U. S. Bureau of the Census.

² Source: U. S. Bureau of Economic Analysis.

³ Source: U. S. Bureau of the Census. Poverty rate for 2001 is a 2 year average.

⁴ Source: Tennessee Department of Education.

⁵ Source: Tennessee Department of Labor and Work Force Development.

⁶ Source: Tennessee Statistical Abstract.

Tennessee Economic Overview

Recommended Budget, Fiscal Year 2003 - 2004

Tennessee's fiscal environment depends on economic conditions that influence both the expenditure and revenue sides of the state budget. The Center for Business and Economic Research at the University of Tennessee prepared this summary of current economic conditions and expectations for short-term economic growth in Tennessee and the nation. For additional information, see the most recent edition of "An Economic Report to the Governor of the State of Tennessee."

Economic conditions have an important influence on revenue performance and service delivery needs, thus affecting both sides of the state budget. The recent downturn and the subsequent slow economic expansion have highlighted the way the economy affects state budgets, particularly revenues. Most states now are trying to close budget gaps for the current fiscal year and develop budgets for 2003-04 that reflect only modest improvement in economic conditions. For more information on recent economic conditions and the outlook for the nation and the state, see the most recent issue of *An Economic Report to the Governor of the State of Tennessee*.

Recent Economic Conditions - A "jobless recovery" is the term analysts use to describe current post-recession economic activity in the U.S. While inflation-adjusted gross domestic product is expected to have advanced 2.4 percent in 2002, jobs fell at a 0.9 percent pace. On a year-over-year basis the national economy shed jobs in each month of the last year. While it is no surprise that the manufacturing sector has borne the brunt of the losses, the 5.5 percent loss in jobs for the year as a whole is quite significant. It is particularly discouraging that the rate of job decay in manufacturing increased from the third to the final quarter of 2002. Low inventories outside of the automobile sector offer some hope for increased production and lower rates of job decay over the near term. Manufacturing is not the only sector to experience setbacks for the year. Mining, construction, transportation, public utilities and the

federal government sectors also saw jobs decline. The absence of stronger job growth is attributed to declining exports and growing imports, and the failure of business investment to show sharp resurgence following the recession.

The situation in Tennessee largely mirrors the nation. Inflation-adjusted personal income--the broadest and most timely measure of overall economic activity in the state--grew 2.2 percent in 2002 versus 1.6 percent for the nation. At the same time the state saw total nonagricultural jobs shrivel by 0.2 percent and jobs in the manufacturing sector contract by 2.6 percent. Like the nation, Tennessee lost jobs in each month of 2002. In December the state posted a 4.7 percent unemployment rate while the national rate of unemployment came in at 6.0 percent. So while the state economy has struggled in recent periods, it has generally outperformed its national counterpart.

Short-term Economic Outlook - The outlook today is quite similar to the outlook that prevailed in early 2002: everyone is anxiously awaiting a catalyst that will surface and jumpstart the economy. One potentially important catalyst is business fixed investment, which was viewed as the national economy's best hope for a return to stronger growth last year. But overall investment remained in the red through the third quarter of 2002 pulled down by sharp contractions in transportation equipment and structures investment. While investment in structures is expected to continue to struggle, overall investment is expected to record a gain of 7.0 percent by the second quarter of 2003, thus helping to bring overall investment up to 4.8 percent for the year. If consumer confidence remains strong and a prolonged war with Iraq can be avoided, U.S. inflation-adjusted gross domestic product should register 3.1 percent growth for the year. Payroll employment should expand 0.7 percent in 2003 while job losses in manufacturing will be cut nearly in half.

The state economy is expected to show slow and steady improvement into 2004. Inflation-adjusted personal income for 2003 is projected to

grow 2.7 percent. Growth for the 2003-04 fiscal year is forecast at 4.3 percent reflecting steady improvement in economic conditions as the economy moves through 2004. State labor markets are expected to show marked improvement over the performance of the last couple of years. Total

nonagricultural jobs are expected to be up 0.7 percent for calendar year 2003 or 1.4 percent for the upcoming fiscal year. Manufacturing will enjoy only modest improvement with expectations calling for a 1.1 percent rate of job loss for the calendar year.

Article provided by the Center for Business and Economic Research, University of Tennessee at Knoxville.

Federal Aid Trends and Federal Mandate Costs

Recommended Budget, Fiscal Year 2003 - 2004

Since fiscal year 1979-80, federal aid to Tennessee excluding Food Stamps, Medicaid, and Temporary Assistance to Needy Families (TANF) grants, formerly Aid to Families with Dependent Children (AFDC), has declined from 27 cents of every dollar in the state budget to 22 cents in 2003-2004. If the state were still receiving 27 cents of every budgeted dollar as federal aid, an additional \$595.7 million would be available in federal funds.

In constant (2003-2004) dollars, federal aid has increased by 64.1 percent, or \$1.2 billion, from 1979-80 to 2003-2004 for state programs other than Food Stamps, Medicaid, and TANF/AFDC grants.

Figure 1 and Table 1 show the constant (2003-2004) dollar trend in federal aid in the state budget since 1979-80 for all programs,

including transportation. Amounts for fiscal years 1979-80 through 2001-2002 are based on actual federal aid collections; amounts for 2002-2003 and 2003-2004 are based on estimates included in the recommended state budget.

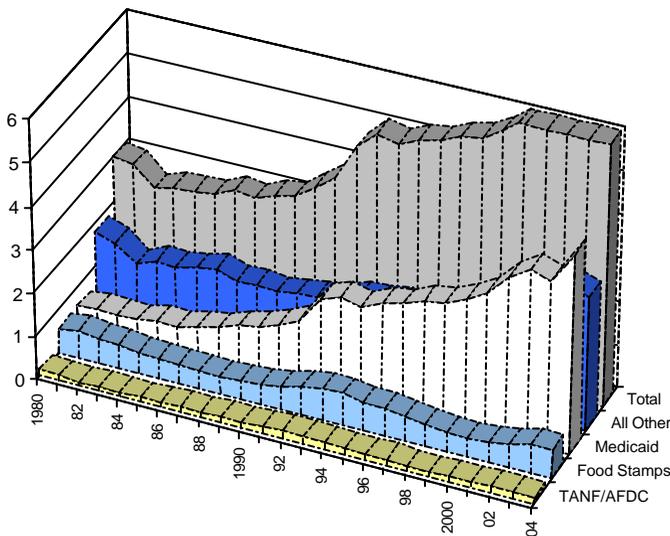
Current dollars have been converted to real (constant) dollars using the gross domestic product implicit price deflator, as reported by the University of Tennessee, Center for Business and Economic Research.

The decline in federal aid in the early 1980s (Figure 1) reflects the elimination of federal revenue sharing for states, new federal restrictions on eligibility for the TANF/AFDC program, and the consolidation of several federal grant programs into block grants at reduced levels.

From 1988-89 to 2003-2004, all the programs other than TANF/AFDC and Food Stamps have had real growth. This reflects congressional decisions in the late 1980s to relax the earlier federal deficit-control statutes, which had restrained the growth of domestic discretionary programs during the 1980s.

As shown in Figure 1, not until 1992-93 does "all other" federal aid, excluding Medicaid, TANF/AFDC grants, and Food Stamps, return to the real-dollar level available to the state in 1979-80. Reflecting recent domestic

Figure 1
Federal Aid Trend in State Programs
FY 1980 through FY 2004
in Billions of Constant (2003-2004) Dollars



initiatives, the growth rate for this federal aid category has begun to increase, in spite of federal budget-balancing efforts. In 2003-2004, "all other" federal aid, excluding Food Stamps, Medicaid, and TANF/AFDC, shows a constant dollar increase compared with the year before. This is mainly because of an increase for education and social services programs.

Over the 24-year period, Medicaid, the

Table 1
Comparison of Federal Aid in State Budget,
Actual 1979-80 through Estimated 2003-2004
In Millions of Constant (2003-2004) Dollars

| | 1979-80 | 1988-89 | 2003-2004 | % Increase | | |
|--------------------|-------------------|-------------------|-------------------|---------------|----------------|-------------|
| | | | | 1980-2004 | Annual Average | |
| | | | | | 1980-2004 | 1989-2004 |
| Total Aid | \$ 3,014.3 | \$ 3,118.9 | \$ 8,243.3 | 173.5% | 4.3% | 6.7% |
| Medicaid | 550.0 | 1,144.5 | 4,447.2 | 708.6% | 9.1% | 9.5% |
| Food Stamp Coupons | 549.7 | 427.0 | 660.0 | 20.1% | 0.8% | 2.9% |
| TANF/AFDC | 130.2 | 124.9 | 121.7 | -6.5% | -0.3% | -0.2% |
| All Other | 1,784.4 | 1,422.5 | 3,014.4 | 68.9% | 2.2% | 5.1% |

major federal entitlement program in the state budget, has had real growth well above the rate of inflation. Although total federal aid has increased in constant dollars by 173.5 percent from 1979-80 to 2003-2004, the 708.6 percent real growth in the Medicaid program is accompanied by real growth of only 68.9 percent in federal aid for all other state programs, excluding Food Stamps and TANF/AFDC. A constant dollar increase of 20.1 percent in federal aid for the Food Stamps program since 1979-80 is related to

Tennessee's recent increased caseload. The TANF/AFDC grants had a constant dollar decrease of 6.5 percent.

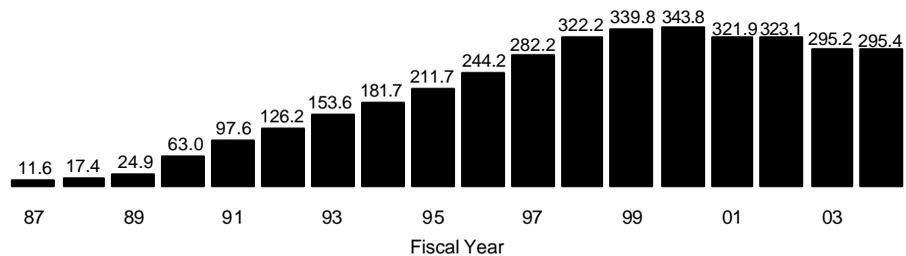
Over the 24-year period, as shown in Table 1, real growth for all federal aid to state programs has

averaged 4.3 percent per year. This growth above the rate of inflation has been led by the 9.1 percent annual-average real growth in the Medicaid program. TANF/AFDC decreased by 0.3 percent, while Food Stamps increased by 0.8 percent and all other federal aid increased by 2.2 percent on an annual-average basis.

Over the last 15 years of the period, from 1988-89 through 2003-2004, real growth in total federal aid has increased above the longer-term growth rates. Total federal aid to state programs has grown at a 15-year annual-average rate of 6.7 percent. Real growth in this period has averaged 9.5 percent per year for Medicaid and 2.9 percent per year in Food Stamps, while TANF/AFDC decreased by 0.2%. All other federal aid has grown at a real-dollar rate of 5.1 percent per year.

The high growth rates in the Medicaid program in the late 1980s and early 1990s had begun to moderate, possibly because of managed care and the economy. However, the growth rate for Medicaid increased slightly in FY 2003-2004, perhaps as a result of the recent policy changes in the TennCare program. The federal Medicaid match rate

Figure 2
Existing Federal Mandates
State Cost Since FY 1987
Chart in Millions



will increase for the fourth year on October 1, 2003. Medicaid accounts for 76 percent of the state mandate cost. The longer-term federal funding for mandated Medicaid expansions is accompanied by significant state costs, which are identified in detail below.

While federal aid as a percentage of discretionary program funding has declined in the state budget since 1979-80, federal legislation in the late 1980s and early 1990s has imposed increasingly costly mandates on state government.

By fiscal year 2003-2004, when existing federal mandates will have been fully implemented, provisions imposed since 1986-87 will cost \$295.4 million per year in recurring state appropriations from General Fund tax sources. The cumulative state cost in 2001-2002 was \$323.1 million and in 2002-2003 is \$295.2 million. Figure 2 illustrates the annual recurring state cost, from General Fund tax sources, of new federal mandates beginning in fiscal year 1986-87.

Costly major Medicaid mandates imposed since 1986-87 (Figure 3) are expanded services under the 1988 catastrophic health care law; coverage of children aged one through 18 under 1989 and 1990 laws; payment of premiums and deductibles for poor Medicare clients under a 1990 law; increase in the minimum wage for the nursing home program under a 1989 law; increases in the state Medicaid match rate as personal income increases; expansion of Medicaid eligibility under the 1988 federal welfare reform law; and drug purchasing reform under a 1990 law. Other Medicaid mandates include the 1988 nursing home reform initiative and the expansion of the child disability standard under the 1990 "Zebley" court ruling on supplemental security income regulations.

Major federal mandates imposed in other programs since fiscal year 1986-87 (Figure 4) include expansion of AFDC eligibility and support services under the 1988 federal welfare reform law; exemption from the sales tax of food stamps and supplemental foods for women, infants, and

children; increases in the state match rate for the former AFDC program; intervention services for handicapped infants and toddlers in the K-12 education system; extensions of federal social security and Medicare payroll taxes under the 1990 federal budget act; national standards under the commercial drivers license law; and other items of lesser fiscal impact affecting several state agencies.

For purposes of this analysis, the term "federal mandates" is limited to provisions of federal law or regulation which require state government implementation, without option to the state. This includes mandatory new programs, changes in existing federal programs, and increases in state financial participation in jointly funded federal programs resulting from decreases in federal match rates.

Figure 3
Medicaid Mandates

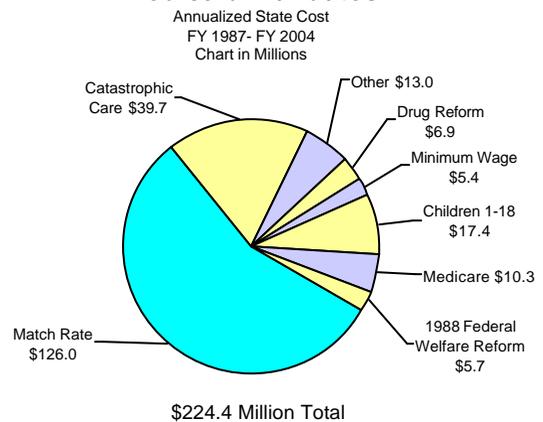
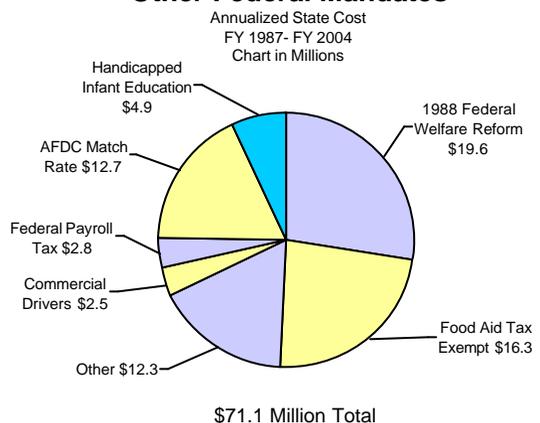


Figure 4
Other Federal Mandates



The Budget Process

Preparation of the Governor’s annual budget for the State of Tennessee is the responsibility of the Commissioner of Finance and Administration, who is the State Budget Director.

Within the Department of Finance and Administration, the Division of Budget is responsible for budget development. Preparation, deliberation, and execution of the budget is a continual process throughout the year. This process regularly involves the Legislative and Executive branches, with occasional counsel from the Judicial Branch. The following chart indicates the participants in the budgetary process and an approximate time schedule.

These electronic forms and instructions are distributed to the agencies in August. The deadline for completion and transmission of the budget requests is the first of October. During this preparation period, the staff of the Division of Budget meets as needed with agencies’ fiscal and program personnel to answer questions and provide assistance in developing their budget requests.

In addition to projecting expenditure levels, estimates of the major revenue sources, such as the sales, franchise, excise and gasoline taxes, are prepared for both the current and next fiscal years. The revenue estimates are prepared by the Commissioner of Finance and Administration after receiving advice from the State Funding Board, as required by TCA section 9-4-5202. All revenue estimates, including estimates for licenses and fees, are part of the budget review by the Commissioner of Finance and Administration, the Governor, and their staffs.

| Function | Participants | Schedule |
|---------------------------|---|--|
| Planning and Estimation | Budget Division Departments and Agencies | July August September |
| Preparation of the Budget | Budget Division | October November December * January |
| Legislative Deliberation | General Assembly | * February-May |
| Budget Execution | Budget Division Legislative Committees Departments and Agencies | June-July |

*Note: The law requires the Governor to submit the Budget to the General Assembly prior to February 1, except at the beginning of a gubernatorial term, when the deadline is prior to March 1; unless, in either case, the General Assembly by Joint Resolution authorizes a later date.

Planning and Estimation

Immediately after a new fiscal year begins each July, the staff of the Division of Budget begins making plans for the budget that will be considered by the General Assembly for the subsequent fiscal year. These plans include designing and updating the forms and instructions used by departments and agencies in presenting their budget requests to the Division of Budget.

Preparation of the Budget

Chapter 33 of the Public Acts of 1937 granted the Governor the authority and duty to develop and submit to the General Assembly a recommended budget. The law directs the Commissioner of Finance and Administration to prepare the budget in accordance with the Governor’s directives.

After the receipt of agency budget requests, analysts with the Division of Budget begin the process of balancing expenditures against estimated revenues. Within this constraint, funds must be provided for Administration initiatives of high priority, activities mandated by state or federal statute, and the day-to-day operation of state government.

Instructions for the agency budget requests include the submission of two levels of requests: (a) a base request, which accommodates the continuation of current services, and (b) an improvement request,

The Budget Process

which includes funds to implement mandated requirements, compensate for revenue reductions, initiate new programs, or enhance the base level due to increased costs of providing current services.

Following analysis of the requests by the Division of Budget, detailed recommendations are made to the Commissioner of Finance and Administration. Meetings are convened with commissioners and directors of the departments and agencies by the Commissioner of Finance and Administration. A consensus is sought with the agencies as to the appropriate funding level for the upcoming year.

After these meetings are completed, the Budget Division staff makes any revisions that have been agreed upon and presents the estimates to the Commissioner of Finance and Administration for his and the Governor's consideration. The Governor and the commissioner review the recommendations resulting from these hearings and consider necessary alterations to fit within the scope of the Administration's initiatives and estimated revenues. The Governor may choose to conduct meetings or budget hearings with agency heads and may direct them to submit plans for further adjustments to their budgets.

After gubernatorial decisions have been finalized, the staff of the Division of Budget prepares the Budget Document for printing. Meanwhile, work begins on the Governor's Budget Message. The Budget must be presented to the General Assembly prior to February 1, or prior to March 1 when a newly elected Governor takes office, unless the General Assembly by joint resolution allows submission on a later date.

At the time the Budget Document and Budget Message are presented, the appropriation process is initiated. The Appropriations Bill, prepared by the Department of Finance and Administration, is introduced and referred to the Finance, Ways, and Means committees of both houses of the Legislature. The various standing committees of the houses may review those parts of the Appropriations

Bill that fall within their purviews. The departments often are invited to testify before these committees on issues relating to their budgets.

After these committees report their reviews, the Finance, Ways and Means committees begin hearings on the budget in its entirety. Again, the departments may testify, and the Commissioner of Finance and Administration is invited to discuss the budget recommendations. Considerations made by the committees include the fiscal impacts caused by other legislation introduced by the members of both houses, recommendations of other legislative committees, and Appropriations Bill amendments filed by members of the Legislature. The Finance, Ways and Means committees of each house report out the Appropriations Bill with any amendments they recommend.

The Appropriations Bill then is sent to Calendar committees of each house to be scheduled for floor action. The Senate and House of Representatives must pass the same Appropriations Bill in the same form for it to be enacted into law. Approval of the General Appropriations Bill usually occurs during the last week of the legislative session.

In signing the bill into law, the Governor may line-item veto or reduce specific appropriations. Or, he could veto the entire bill; but this rarely would be done. Any veto may be over-ridden by a majority of the elected members, each house acting separately.

Tennessee has a tradition of enacting a single General Appropriations Act each year.

Budget Execution

When passage of the Appropriations Bill is complete and is signed or enacted into law, the execution of the act begins. Two important concepts are involved: (a) the preparation of work programs and (b) the development of allotment controls.

Invariably, there are changes to the Budget Document presented by the Governor to the General Assembly. These

The Budget Process

changes are made by amending the Appropriations Act during the adoption process. Analysts of the Division of Budget and fiscal personnel in the departments and agencies have the responsibility of reconciling the approved Appropriations Act with the Budget Document. This may involve increases or decreases to the agency allotments. The Division of Budget establishes an annual allotment for each agency and division using the reconciled Appropriations Act. This annual allotment, called the official work program, is provided to the Division of Accounts as a means of spending control. The agencies and divisions spend against these allotments during the fiscal year.

Budget execution is a process that continues throughout the fiscal year. In addition to the daily review of numerous operational and personnel transaction requests, the budget analysts must ensure that the legislative intent of the Appropriations Act is being followed by the various departments and agencies.

Further legislative review and control is maintained through the Fiscal Review Committee, other oversight committees, and the Finance, Ways and Means committees.

In addition to the review of agency activities by these bodies, the Finance, Ways and Means committees must be informed of any new or expanded programs resulting from unanticipated departmental revenues. These revenues usually are new federal grants, but also may be other departmental revenues. When notice of unexpected revenue is received by an agency, the Commissioner of Finance and Administration, if he wants to approve the program expansion, may submit an expansion report to the chairmen of the finance committees for acknowledgement. Upon the chairmen's acknowledgement of the expansion report, the Commissioner of Finance and Administration may allot the additional departmental revenue to implement the proposed or expanded program.

Agencies may not expand programs or implement new programs on their own

authority. This expansion procedure is not used to increase allotments funded from state tax revenue sources. No appropriations from state tax sources may be increased except pursuant to appropriations made by law.

A transfer of appropriations between allotments for purposes other than those for which they were appropriated may not occur without the approval of the Commissioner of Finance and Administration and a committee comprised of the Speakers of the House and the Senate and the Comptroller of the Treasury.

Throughout the fiscal year, the Budget Division staff reviews the status of the various allotments and advises the Commissioner of Finance and Administration of any problems. At the end of the fiscal year, the Division of Budget has the responsibility of executing revisions to the annual allotments as a function of the accounts closing process.

Audit and Review

Post-audit and review also are functions that continue throughout the fiscal year. Post-audit is a responsibility of the Comptroller of the Treasury, an official elected by the General Assembly. The Division of State Audit, within the Comptroller's Office, has the duty of conducting, supervising, and monitoring the audits of all state departments and agencies. Intermediate care facilities receiving Medicaid funds also are within the purview of this division, and state grants to other entities also are subject to audit. In addition, program audits are performed to determine whether agencies are functioning efficiently.

The General Assembly also participates in a continuing review throughout the fiscal year. The Fiscal Review Committee, a bipartisan committee comprised of members from both houses, meets regularly when the General Assembly is not in session. Following a set agenda, members of this committee review audit reports and departmental personnel respond to inquiries about activities and programs under the

department's jurisdiction. In addition, legislative oversight committees conduct extensive review in areas of special interest, such as correctional issues and children's services. Joint legislative committees and subcommittees occasionally are appointed for in-depth study of specific areas.

Governmental Accountability: Performance-Based Budgeting and Strategic Planning: Looking Forward to 2004-2005

Chapter 875 of the Public Acts of 2002 enacted the Governmental Accountability Act. This law alters the budget law to require strategic planning and to begin the phase-in of performance-based budgeting in fiscal year 2004-2005. Although Executive Branch departments and some smaller agencies have developed strategic plans for years, all agencies now will be required by law to do so, beginning a year before being phased in to performance-based budgeting.

By July 1 each year, Executive Branch agencies, including higher education, will submit strategic plans to the Commissioner of Finance and Administration, who may require modifications. He must consolidate approved plans and submit them to the Governor and General Assembly by September 1 each year, beginning in 2003 for the performance-based agencies. The Judicial Branch, Comptroller of Treasury, State Treasurer, Secretary of State, Attorney General and Reporter, and Legislative Branch are not subject to strategic plan review by the Commissioner of Finance and Administration. They must submit plans separately to the General Assembly and Governor by September 1. The General Assembly retains final approval authority for agency strategic plan and performance measures through the general appropriations act.

In addition to setting forth program objectives, strategic plans must include performance measures and standards for each program, partly defined as a budgetary unit. Under this law, instructions for development of strategic plans and performance measures will be issued to

Executive Branch agencies by the Commissioner of Finance and Administration, who under other law also issues budget instructions to all agencies.

In 2002, at the direction of the Commissioner of Finance and Administration, a strategic planning function, previously free-standing in the department, was transferred into the Division of Budget. In these ways -- by definition of programs as budgetary units, by common authority to issue planning and budget instructions, and by inclusion of the strategic planning unit in the central executive Budget Office -- planning and budgeting in the Executive Branch now are closely linked.

Performance-based budget requests must be submitted by three agencies for fiscal year 2004-2005. The first three agencies designated by the Commissioner of Finance and Administration are the departments of Revenue, Safety, and Environment and Conservation. All other Executive Branch agencies must be phased in to performance-based budgeting by fiscal year 2011-2012, on a schedule to be determined by the Commissioner of Finance and Administration.

The recommended Budget Document must include a program statement and performance measures. The Governmental Accountability Act requires the Commissioner of Finance and Administration to report annually, for agencies subject to performance-based budgeting, on compliance with strategic plans and performance measures. The report must be made to the Governor and the Senate and House Finance, Ways and Means committees. The Governmental Accountability Commission -- comprised of the Comptroller of the Treasury, Executive Director of the Fiscal Review Committee, and the Director of the Office of Legislative Budget Analysis -- must comment in writing to the Senate and House Finance committees on the commissioner's performance report. The Accountability Commission also may make recommendations to the Finance

The Budget Process

Committees on the strategic plan and actual performance of agencies subject to performance-based budgeting, on the reasonableness of recommended performance measures and standards, and on any other matter regarding strategic planning and program performance.

The performance report and commission comments must be made at a time to allow consideration of the reports while the Appropriations Bill is being considered by the Finance committees.

Also under the Governmental Accountability Act, as well as under other law, each state agency is subject to performance review by the Comptroller of the Treasury.

As enacted in 2002, the Governmental Accountability Act continues the Tennessee tradition of strong Executive management of the line agencies, begun with the Governmental Reorganization Act of 1923, and strong Executive budget development and budget execution responsibility, begun with the budget law of 1937. At the same time, the 2002 Act continues the prerogative of the General Assembly to alter agency plans and Executive recommendations through the Appropriations Act and to alter policy and exert oversight through the Legislative and performance review processes.

Basis of Budgeting and Accounting

Budgeting Basis

The annual budget of the State of Tennessee is prepared on the modified accrual basis of accounting with several exceptions, principally the effect of encumbrance and highway construction contractual obligations. Unencumbered appropriations lapse at the end of each fiscal year, with the encumbered appropriations being carried forward to the next year. Most revenue collection estimates are presented on a modified accrual basis, consistent with the basis of accounting explained below.

The law requires the Governor to present his proposed budget to the General Assembly annually. The General Assembly enacts the budget through passage of a general appropriations act. This act appropriates funds at the program level. Before signing the Appropriations Act, the Governor may veto or reduce any specific appropriation, subject to legislative override. Once passed and signed, the budget, in the form of the Appropriations Act, becomes the state's financial plan for the coming year.

Budgetary control is maintained at the program level by the individual departments and agencies, acting in conjunction with the Department of Finance and Administration. The latter has a Division of Budget and a Division of Accounts to execute budgetary controls. The Budget Document details the separation between payroll and operational funds by program. Any movement of funds between the payroll and operational funds requires approval and a revision to the budget by the Budget Division on behalf of the Commissioner of Finance and Administration and the Governor. Other budget revisions during the year, reflecting program changes or intradepartmental transfers of an administrative nature, require certain executive and legislative branch approval, pursuant to law. This is discussed in detail in the "Budget Process" subsection. With proper legal authority, the Division of Budget, acting on behalf of the Governor

and Commissioner of Finance and Administration, may execute allotment (or budget) revisions. The line agencies may not make these revisions themselves. In Tennessee, as in other states, appropriation of funds is a legislative power, not an executive power. No expenditures may be made, and no allotments increased, except pursuant to appropriations made by law.

For Budget Document purposes, all funds are classified as **General Fund** except for the Department of Transportation (Transportation, or Highway, Fund), Capital Outlay (Capital Projects Fund), Facilities Revolving Fund, Debt Service (or Sinking) Fund, and Cities and Counties – State Shared Taxes (Local Government Fund). The Education Trust Fund, for which state tax revenues are estimated separately, is included in the General Fund in the presentation of the Budget Overview, although a separate fund balance statement for this fund is included in the "Financial Statements" section of the Budget Document.

The presentation of all the operating budgets within the **General Fund** in the Budget Document, except for Transportation, is done for ease of budget presentation and understanding. In the Budget, revenue estimates for Special Revenue, Internal Service, and Enterprise Fund programs, funded by dedicated revenues, are included in the state tax revenue and departmental revenue estimates in the General Fund, as are those programs' expenditures.

Special Revenue Fund programs reflected in the General Fund in the Budget Document are:

- Wildlife Resources Agency
- Boating Safety
- Wetlands Acquisition Fund
- Wetlands Compensation Fund
- Tennessee Regulatory Authority
- Criminal Injuries Compensation

Basis of Budgeting and Accounting

Agricultural Resources Conservation Fund
Grain Indemnity Fund
Certified Cotton Growers' Organization
Fund

Agricultural Regulatory Fund
Local Parks Acquisition Fund
State Lands Acquisition Fund
Used Oil Collection Program
Tennessee Dry Cleaners Environmental
Response Fund
Abandoned Lands
Hazardous Waste Remedial Action Fund
Underground Storage Tank
Solid Waste Assistance
Environmental Protection Fund
Sex Offender Treatment Program
Small and Minority-owned
Telecommunications Program
Job Skills Fund
911 Emergency Communications Fund
Real Estate Education and Recovery Fund
Auctioneer Education and Recovery Fund
Motorcycle Rider Education
Driver Education
C.I.D. Anti-Theft Unit
Board of Professional Responsibility
Tennessee Lawyers Assistance Program
Continuing Legal Representation

Internal Service Fund programs reflected in the General Fund in the Budget Document are:

Capitol Print Shop
Claims Award Fund
TRICOR
Office of Information Resources
Division of Accounts
Postal Services
Motor Vehicle Management
Printing
Purchasing
Records Management
Central Stores
Food Services Program

Enterprise Fund programs reflected in the General Fund in the Budget Document are:

Tennessee Housing Development Agency

Property Utilization
Child Care Facilities Fund
Client Protection Fund

In the "Budget Overview," **Education Trust Fund** programs are presented in the General Fund, although the tax apportionments for the Education Fund are separately estimated. This, again, is done for ease of presentation and understanding of the budget. It also is done because the taxes earmarked and apportioned to the Education Fund are less than the Education appropriations, requiring General Fund tax support for Education programs.

The programs in the Education Trust Fund are: (1) Department of Education (K-12); (2) Higher Education, including state appropriations for the University of Tennessee, the State University and Community College System (Board of Regents), and the Foreign Language Institute; and (3) all funding sources for programs of the Higher Education Commission and the Student Assistance Corporation.

In the Budget Document, certain institutional revenues for the two university systems are estimated. These include unrestricted educational and general revenues (E&G), and auxiliary enterprise funds. Examples of unrestricted E&G funds are student tuition and fees; unrestricted state, federal, local, and private gifts, grants, and contracts; local appropriations; and sales and services related to academic programs. Restricted funds are not reflected in the Budget Document.

Although presenting the operating budgets in this consolidated fashion makes the budget easier to understand, the Comprehensive Annual Financial Report (CAFR) does deal with all of the Special Revenue and other funds as separate from the General Fund. The Division of Accounts provides that document to the General Assembly and the public.

Accounting Basis

(From Division of Accounts, Comprehensive Annual Financial Report)

The financial statements of the State of Tennessee are prepared in conformity with generally accepted accounting principles, as prescribed by the Governmental Accounting Standards Board (GASB). These principles require that the financial statements present the primary government and its component units, or the entities for which the government is considered to be financially accountable. Component units are discretely presented in a separate column in the government-wide financial statements to emphasize legal separation from the primary government.

In the government-wide financial statements, the financial activities of the state are reported as governmental or business-type activities. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

In the fund financial statements, the state's major **governmental funds** include:

General Fund – used to account for all financial transactions not required to be accounted for in other funds;

Education Fund – used to account for revenues and expenditures associated with programs involving the Department of Education and Higher Education. Funding is provided primarily from the dedicated sales and services taxes and federal monies received from the U.S. Department of Education.

Highway Fund – used to account for revenues and expenditures associated with the Department of Transportation. Funding is provided from dedicated highway user taxes and funds received from the various federal transportation agencies.

The state's non-major **governmental funds**, reported in a single column, include:

Special Revenue Fund – used to account for specific revenues earmarked to finance particular or restricted programs and activities;

Debt Service Fund – used to account for the payment of principal and interest on general long-term debt;

Capital Projects Fund – used to account for the acquisition or construction of all major governmental capital facilities; and,

Permanent Funds – used to account for legally restricted funds where only earnings, not principal, can be spent.

All of the governmental funds are accounted for on the modified accrual basis of accounting. Under this basis, revenues are recognized as soon as they are both measurable and available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are typically recorded only when payment is due.

Sales taxes, petroleum and vehicular related taxes and fees, and gross receipt taxes are considered to be available if received in the first 60 days of the new fiscal year. Federal grants, departmental services, and interest associated with the current fiscal period are all considered to be available if received in twelve months. All other revenue items are considered to be measurable and available only when cash is received by the State.

Encumbrance accounting is utilized for budgetary control purposes in governmental fund types. Encumbrances outstanding at year-end are reported as reservations of fund balance for subsequent year expenditure.

The state's **proprietary fund** financial statements include:

Enterprise Funds – used to account for the operations of self-sustaining state agencies providing goods or services to the general public on a user-charge basis. Two of these funds are considered major funds – Sewage Treatment Loan Fund and Employment Security Fund. Non-major funds are reported in a single column.

Internal Service Funds – used to account for services provided to other departments or agencies of the state or other governments, on a cost reimbursement basis. These funds are reported in a single column.

The proprietary funds are accounted for on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The state's **fiduciary funds** financial statements include:

Pension Trust Fund – used to account for the activities of the state-administered retirement system;

Investment Trust Fund – used to account for the activities of the state-sponsored external investment pool;

Private-Purpose Trust Funds – used to report trust arrangements under which the principal and income benefit individuals, private organizations, or other governments; and,

Agency Funds – used to account for amounts held in custody of others.

Fiduciary fund types are used to account for resources legally held in trust. The fiduciary funds are accounted for on the accrual basis of accounting.

Discretely presented component units include:

Tennessee Student Assistance Corporation (TSAC)
Community Services Agencies
Tennessee Certified Cotton Growers Organization

Tennessee Housing Development Agency
Tennessee Local Development Authority
Tennessee State Veterans Homes Board
Child Care Facilities Corporation
Tennessee State School Bond Authority
Tennessee Board of Regents
University of Tennessee Board of Trustees.

Accounting Changes Effective July 1, 2001

The financial statements for the Fiscal Year ending June 30, 2002 are presented with an unprecedented number of accounting changes as a result of standards promulgated by the Governmental Accounting Standards Board (GASB). The changes include GASB Statements 33, 34, 35 and 38.

GASB Statement 33 establishes accounting and financial reporting for non-exchange transactions involving financial or capital resources.

GASB Statement 34 provides for a new set of financial statements for the state as a whole on the accrual basis of accounting (Government-wide Statements), a new financial narrative entitled Management's Discussion and Analysis as required supplementary information, and considerable changes to fund financial statements which continue to be required on a modified accrual basis of accounting. Additional note disclosure requirements are also imposed.

GASB Statement 35, an amendment of GASB Statement 34, requires colleges and universities to report as a business-type activity using enterprise fund accounting in accordance with provisions of GASB 34.

GASB Statement 38 modifies, establishes and rescinds certain financial statement disclosure requirements. The primary change is to require additional disclosure of the details of receivables, payables, and transfers.

State Revenues

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State Tax Revenues

Recommended Budget, Fiscal Year 2003-2004

The revenues necessary to finance state government are collected from a variety of sources. The primary source of funding for state expenditures is appropriation from general revenues. General revenues are proceeds from taxes, licenses, fees, fines, forfeitures, and other imposts laid specifically by law.

The revenue estimating process generally starts twelve months before a fiscal year begins. Revenue collections are tracked on a monthly basis, and this information, along with specific long-run forecasts of individual sectors of the economy, is used to form the basis for the next fiscal year's estimated revenue collections.

Preliminary estimates are supplied to the Department of Finance and Administration in mid-summer by the Department of Revenue and the University of Tennessee Center for Business and Economic Research. Tax estimates are recalculated in October and November and refined in December and January for inclusion in the Governor's Budget Document.

Sales tax estimates are based on estimated retail sales activity, which is provided by the Center for Business and Economic Research. Corporate excise tax estimates are made as late as possible in the year to take advantage of the latest available corporate profit forecasts for the nation and the October state tax returns filed with the Department of Revenue, which provide information useful in projecting quarterly estimated corporate tax payments through the next year.

Estimates for selective excise taxes are commonly based on long-run consumption trends for the selectively-taxed items: cigarettes, gasoline, beer, and alcoholic beverages. Long-run trend analysis is also used as a basis for projecting corporate excise and franchise tax collections and Tennessee Valley Authority in lieu of tax payments.

Motor vehicle fuel (primarily diesel fuel) taxes and motor vehicle registration fees are

estimated conservatively, given their sensitivity to business cycles (especially the truck-related components of both taxes).

The revenue estimating process in Tennessee incorporates the "Good Practices in Revenue Estimating" endorsed by the National Association of State Budget Officers and the Federation of Tax Administrators. This requires the use of national and state economic forecasts, development of an official revenue estimate, monitoring and monthly reporting on revenue collections, and revision of estimates when appropriate.

Tennessee Code Annotated (TCA) 9-4-5104, 5105, 5106, and 5202 specify the manner in which tax revenue estimates are prepared and transmitted to the General Assembly in the Budget Document.

The Commissioner of Finance and Administration prepares revenue estimates based on advice from economists, his own staff, the Department of Revenue, and the State Funding Board. The Funding Board, which is composed of the Governor, the Commissioner of Finance and Administration, the Comptroller, the State Treasurer, and the Secretary of State, is assisted in preparing its range of revenue growth estimates by economists from the state's universities, the executive director of the Fiscal Review Committee, and staff of the Department of Finance and Administration, Department of Revenue, and of the Treasurer's Office. The Funding Board prepares and recommends a range of revenue growth estimates using the information provided by the economists, the executive director of the Fiscal Review Committee, and staff.

The Funding Board's review and recommendations concern only the taxes collected by the Department of Revenue. The growth estimates provide a basis for the tax revenue estimates that are used in preparing the budget. However, recommendation of revenue estimates in the Budget is the responsibility of the Governor and Commissioner of Finance and Administration.

The State Funding Board's most recent letter

notifying the Governor and the chairmen of the Senate and House Finance, Ways and Means committees of its revenue growth estimates is included in the following subsection entitled "State Funding Board, Range of Tax Revenue Estimates." This letter states the economic assumptions affecting the Funding Board's recommendations. A more detailed economic overview is presented in the "Budget Overview" section of the Budget Document.

The tax revenue estimates recommended in the Budget Document are shown in a following subsection entitled "Comparison Statement of State Revenues." These taxes include not only the taxes collected by the Department of Revenue (the major taxes), but also those collected and deposited to the General Fund by some other line agencies in conjunction with carrying out their programs. In the revenue estimate charts, the latter are shown by collecting agency and are subtotaled as "other state revenue."

Following the chart comparing taxes for the three fiscal years, three charts are included to show the collections distributed by fund. The funds on the distribution charts, for Budget Document presentation, are General Fund, Education (Trust) Fund, Highway (Transportation) Fund, Debt Service Fund, and Cities and Counties (Local Government Fund). (For information about the inclusion of certain Special Revenue Fund taxes and fees in the General Fund estimates, see the "Budget Overview" subsection entitled "Basis of Budgeting and Accounting.")

Following the four tax revenue estimate charts is a chart detailing the revenues of regulatory boards, with the collections and estimates listed by board. This is a supporting schedule to the "Comparison Statement of State Revenues" charts, on which single lines for regulatory board fees appear.

In addition to the general revenues detailed in this section, other revenues are collected by departments, institutions, and agencies and are appropriated directly to them. These are called

departmental revenues. In the Budget Document, these departmental revenues are estimated by program and are shown as federal revenue, other revenue (or, sometimes, current services and other revenue), and tuition and fees. The term "other revenue" includes interdepartmental revenue, current services revenue, non-governmental revenue, and revenue from cities and counties. These various departmental revenues consist of earnings and charges for goods and services; student tuition and fees in the higher education system; and donations, contributions, and grants-in-aid from the federal government, political subdivisions, foundations, corporations, and individuals. In a few cases, the other departmental revenues also include reserves from revolving funds or from the unencumbered balance and capital outlay (major maintenance) reserves, in instances in which specific legal authority to carry such funds forward exists. The departmental revenues are reflected in each department's budget as operating revenue.

Information presented in the subsection entitled "Revenue Sources and Basis of Apportionment" outlines the general tax revenues by collecting agency, along with TCA citations on the rate and source of the revenue and the basis of apportionment among funds and agencies, based on current law.

The tax revenue estimates proposed in this Budget are provided in the following subsection entitled "Comparison Statement of State Revenues." The distribution of taxes among the funds on these charts is as provided by law as it existed last year for 2001-2002 actual revenue and as it exists currently for 2002-2003 and 2003-2004 estimates. However, this Budget recommends that the distributions to the Highway Fund and Cities and Counties (state-shared taxes) Fund be reduced by 9 percent and redirected to the General Fund.

Following that subsection is a subsection detailing so-called tax expenditures, which reports on major tax exemptions provided by law.

State Funding Board

Range of Tax Revenue Estimates



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY

State Capitol
Nashville, Tennessee 37243-0260
(615) 741-2501

John G. Morgan
Comptroller

February 26, 2003

MEMORANDUM

TO: The Honorable Phil Bredesen
Governor

The Honorable Douglas Henry, Chairman
Senate Finance, Ways and Means Committee

The Honorable Tommy Head, Chairman
House Finance, Ways and Means Committee

FROM: Steve Adams
State Treasurer

Riley Darnell
Secretary of State

M.D. Goetz, Jr.
Commissioner of Finance & Administration

John Morgan
Comptroller of the Treasury

SUBJECT: Revenue Estimates

The State Funding Board met on December 11 and 13, 2002 to hear presentations and engage in discussions about the State's near-term economic outlook and estimates of State tax revenue collections for the fiscal years 2002-03 and 2003-2004. Presenters included Mr. Jim Davenport of the Fiscal Review Committee, Dr. Albert DePrince of Middle Tennessee State University, Dr. William Fox of the University of Tennessee, Dr. Richard Evans and Dr. Jeff Wallace of the University of Memphis. In addition, Mr. Reid Linn of the Department of Revenue provided materials which were distributed to members. A spreadsheet that summarizes the State tax revenue estimates as presented is

attached to this memorandum (Attachment 1 for FY 2002-03 and Attachment 2 for FY 2003-04).

The Board is charged with responsibility to develop consensus ranges of revenue growth. In doing so, the Board evaluates and interprets economic data and revenue forecasts supplied by various economists as well as persons acquainted with the Tennessee revenue system. Since this is a revenue estimation process and **not** a budgeting process, the Board does not take into consideration the State's fiscal situation when developing its consensus ranges of revenue growth. Fiscal considerations properly belong with those who set the State's revenue estimates – the Administration that recommends appropriation levels based upon its assessment of revenue growth and the General Assembly that adopts a de facto revenue estimate through its final action on the appropriations bill. The Board wishes users of these consensus ranges to take notice that these ranges **are not** discounted in an attempt to add conservatism given the State's current fiscal condition.

With regard to the economy, the consensus was that the economy is moving into a recovery phase, with the economy in 2003 likely to be better than 2001 or 2002. Gross domestic production rebounded in the 3rd quarter of 2002, with predictions of continuing improvements into the 4th quarter. Threats to a continued recovery include a potential war with Iraq, an outlook for weak corporate profits in the near term, low levels of consumer confidence, and weak employment growth. On the positive side, stronger capital spending is being forecast, inflation remains in check, productivity remains strong, and consumer confidence while low appeared to be improving.

In terms of state revenue forecasts, all presenters believed the state would experience revenue growth during both FY 2002-03 and 2003-04. For FY 2002-03, estimates for total revenue growth range from 11.80% to 13.93%. The Board noted that these growth rates include the impact of the \$933 million revenue legislation enacted during the 2002 legislative session. The dollar impact of these growth rates would range from an under collection of \$120.6 million to an over collection of 38.4 million. For FY 2003-04, estimates for total revenue growth range from 2.61% to 4.30%.

Within the presentations, it was noted that some volatility exists in franchise and excise tax collections and that knowledge of collections received in December 2002 and January 2003 would permit an increased level of certainty in estimating these taxes. The Board noted that having knowledge of actual sales tax performance during December 2002 would also be helpful. Given that the incoming Administration will have additional time to develop and present its budget recommendations, the Board concluded that it would be prudent to defer adopting revenue growth ranges until early February 2003 to permit the Board to consider actual revenue performance during the months of December and January. In accordance with this, the Board met on February 10, 2003 to receive updated information and finalize its deliberations on ranges for tax revenue growth rates. A spreadsheet that summarizes the State tax revenue estimates as presented during this

meeting is attached to this memorandum (Attachment 3 for FY 2002-03 and Attachment 4 for FY 2003-04).

Based upon the December and February presentations and resulting Board discussions, the following consensus revenue estimates for the current and next fiscal years were developed. These estimates are expressed in ranges of growth rates in State tax revenue collections. The following table summarizes these estimates:

| | <u>FY 2002-03</u> | | <u>FY 2003-04</u> | |
|-------------------|-------------------|---------|-------------------|--------|
| | Low | High | Low | High |
| Total State Taxes | 12.45 % | 12.95 % | 2.50 % | 3.00 % |
| General Fund Only | 15.40 % | 15.90 % | 2.60 % | 3.10 % |

The Board believes that an estimate of revenue growth falling within these ranges should be considered reasonable. As in past years, the Board intends to revisit these estimates prior to the General Assembly's final budget deliberations. Each of you will be advised of any revisions made by the Board at that time.

We will be happy to discuss these matters with you further at your convenience.

Attachment

cc. The Honorable John S. Wilder
The Honorable Jimmy Naifeh

COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2003-2004

Attachment 2

(Accrual - Basis Estimates)

2003-2004

| DEPARTMENT OF REVENUE | 12/11/2002 | | 12/11/2002 | | 12/11/2002 | | 12/11/2002 | | 12/11/2002 | |
|--|-------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|
| | ESTIMATE | % CHANGE OVER 02-03 |
| SOURCE OF REVENUE | DR. FOX | ESTIMATE | FISCAL REVIEW | ESTIMATE | DR. DePRINCE | ESTIMATE | DR. EVANS | ESTIMATE | REVENUE DEPT. | ESTIMATE |
| Sales and use Tax | \$ 5,578,600,000 | 3.50% | \$ 5,597,798,000 | 3.53% | \$ 5,587,600,000 | 3.91% | \$ 5,553,000,000 | 3.97% | \$ 5,603,100,000 | 3.15% |
| Gasoline Tax | 588,500,000 | 1.00% | 600,161,000 | 1.00% | 585,900,000 | 1.12% | 590,000,000 | 0.85% | 588,500,000 | 1.00% |
| Motor Fuel Tax | 165,100,000 | 5.03% | 162,897,000 | 2.00% | 159,800,000 | 1.52% | 197,000,000 | 6.49% | 162,600,000 | 1.94% |
| Gasoline Inspection Tax | 64,700,000 | 2.86% | 63,224,000 | 2.00% | 64,700,000 * | 3.19% | 64,000,000 | 3.23% | 62,100,000 | 0.49% |
| Motor Vehicle Registration Tax | 245,400,000 | 3.98% | 242,907,000 | 4.16% | 231,300,000 | 0.04% | 239,000,000 | 3.91% | 227,400,000 | 4.22% |
| Income Tax | 145,600,000 | 4.00% | 150,915,000 | 4.00% | 156,900,000 | 4.39% | 152,000,000 | 2.70% | 137,600,000 | 7.75% |
| Privilege Tax - Less Earmarked Portion | 217,600,000 (1) | 4.62% | 218,047,000 | 3.50% | 207,500,000 (1) | 1.97% | 209,000,000 (1) | 8.85% | 211,700,000 (1) | 0.14% |
| Gross Receipts Tax - TVA | 204,600,000 | 3.02% | 202,751,000 | 2.00% | 204,300,000 ** | 0.00% | 204,300,000 ** | 0.00% | 202,600,000 | -1.03% |
| Gross Receipts Tax - Other | 26,200,000 | 6.94% | 20,193,000 | 3.00% | 33,000,000 | 24.53% | 29,700,000 | 25.32% | 22,000,000 | 9.45% |
| Beer Tax | 17,800,000 | 1.71% | 17,378,000 | 1.38% | 18,400,000 * | 3.37% | 17,000,000 | 6.25% | 17,600,000 | -1.12% |
| Alcoholic Beverage Tax | 34,800,000 | 2.05% | 34,343,000 | 2.36% | 35,400,000 * | 3.51% | 32,000,000 | 0.00% | 35,200,000 | 0.86% |
| Franchise & Excise Taxes | 1,010,000,000 | 1.00% | 1,047,098,000 | 0.45% | 1,064,600,000 | 5.09% | 1,147,000,000 | 7.20% | 1,078,900,000 | 1.38% |
| Inheritance and Estate Tax | 95,000,000 | 0.00% | 100,776,000 | 2.00% | 94,900,000 * | 3.26% | 115,000,000 | 9.52% | 113,900,000 | 2.80% |
| Tobacco Tax | 118,400,000 | 0.94% | 118,838,000 | 1.24% | 119,700,000 * | 3.28% | 84,000,000 | 0.00% | 119,700,000 | 4.09% |
| Motor Vehicle Title Fees | 11,100,000 | 0.91% | 11,239,000 | 2.00% | 11,200,000 * | 2.75% | 12,000,000 | 9.09% | 10,900,000 | 0.00% |
| Mixed Drink Tax | 39,400,000 | 5.07% | 38,525,000 | 3.00% | 38,100,000 * | 3.25% | 38,000,000 | 2.70% | 38,300,000 | 1.32% |
| Business Tax | 92,000,000 | 0.66% | 98,328,000 | 2.00% | 99,400,000 * | 3.33% | 25,000,000 | 8.70% | 93,500,000 | -1.68% |
| Severance Tax | 1,100,000 | 0.00% | 1,100,000 | 0.00% | 1,100,000 * | 0.00% | 1,000,000 | -9.09% | 1,100,000 | 0.00% |
| Coin Operated Amusement Tax | 3,500,000 | 2.94% | 4,100,000 | 20.59% | 3,500,000 * | 2.94% | 20,000 | NA | 4,100,000 | 20.59% |
| TOTAL DEPARTMENT OF REVENUE | \$ 8,659,400,000 | 2.99% | \$ 8,730,618,000 | 2.85% | \$ 8,717,300,000 | 3.60% | \$ 8,709,020,000 | 4.30% | \$ 8,730,800,000 | 2.61% |
| GENERAL FUND ONLY (2) | \$ 7,124,700,000 | 3.12% | \$ 7,189,318,000 | 3.04% | \$ 7,197,000,000 | 4.06% | \$ 7,146,820,000 | 4.73% | \$ 7,218,500,000 | 2.79% |
| Growth over FY 03 Budgeted Est. - Total | \$ 188,700,000 | | \$ 259,918,000 | | \$ 246,600,000 | | \$ 238,320,000 | | \$ 260,100,000 | |
| Growth over FY 03 Budgeted Est. - Gen. Fund | \$ 151,100,000 | | \$ 215,718,000 | | \$ 223,400,000 | | \$ 173,220,000 | | \$ 244,900,000 | |
| SELECTED TAXES | DR. FOX | % | FISCAL REVIEW | % | DR. DePRINCE | % | DR. EVANS | % | REVENUE DEPT. | % |
| SALES AND USE TAX | \$ 5,578,600,000 | 3.50% | \$ 5,597,798,000 | 3.53% | \$ 5,587,600,000 | 3.91% | \$ 5,553,000,000 | 3.97% | \$ 5,603,100,000 | 3.15% |
| FRANCHISE AND EXCISE TAXES | 1,010,000,000 | 1.00% | 1,047,098,000 | 0.45% | 1,064,600,000 | 5.09% | 1,147,000,000 | 7.20% | 1,078,900,000 | 1.38% |
| INCOME TAX | 145,600,000 | 4.00% | 150,915,000 | 4.00% | 156,900,000 | 4.39% | 152,000,000 | 2.70% | 137,600,000 | 7.75% |
| ALL OTHER TAXES | 1,925,200,000 | 2.50% | 1,934,807,000 | 2.14% | 1,908,200,000 | 1.86% | 1,857,020,000 | 3.68% | 1,911,200,000 | 1.38% |

(1) Privilege Tax estimates are reduced by \$32,000,000 in 2003-2004 for the earmarked portion of the tax.

(2) F&A calculated the General Fund distribution for all presenters.

* F&A distributed taxes for Dr. DePrince based on ratios for budgeted collections for 2002-2003.

** F&A distributed the Gross Receipts Taxes for Dr. DePrince and Dr. Evans based on anticipated TVA collections in 2002-2003.

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2002-2003**

Attachment 3

(Accrual - Basis Estimates)

| | | 2002-2003 | | | | | | | |
|---|-------------------------|-------------------------|---------------|-------------------------|---------------|-------------------------|---------------|-------------------------|----------------|
| DEPARTMENT OF REVENUE | 2001-2002 | 07/01/2002 | % CHANGE | 02/10/2003 | % CHANGE | 02/10/2003 | % CHANGE | 02/10/2003 | % CHANGE |
| SOURCE OF REVENUE | ACTUAL | BUDGETED | OVER 01-02 | ESTIMATE | OVER 01-02 | ESTIMATE | OVER 01-02 | ESTIMATE | OVER 01-02 |
| | COLLECTIONS | ESTIMATE(1) | ACTUAL | DR. FOX | ACTUAL | FISCAL REVIEW | ACTUAL | REVENUE DEPT. | ACTUAL |
| Sales and use Tax | \$ 4,645,724,300 | \$ 5,426,300,000 | 16.80% | \$ 5,390,000,000 | 16.02% | \$ 5,416,000,000 | 16.58% | \$ 5,398,300,000 | 16.20% |
| Gasoline Tax | 576,912,000 | 578,500,000 | 0.28% | 582,700,000 | 1.00% | 594,219,000 | 3.00% | 582,700,000 | 1.00% |
| Motor Fuel Tax | 151,188,900 | 154,200,000 | 1.99% | 157,200,000 | 3.98% | 159,703,000 | 5.63% | 159,500,000 | 5.50% |
| Gasoline Inspection Tax | 61,624,300 | 62,800,000 | 1.91% | 62,900,000 | 2.07% | 61,984,000 | 0.58% | 61,800,000 | 0.29% |
| Motor Vehicle Registration Tax | 219,607,200 | 234,300,000 | 6.69% | 236,000,000 | 7.46% | 233,198,000 | 6.19% | 216,600,000 | -1.37% |
| Income Tax | 141,710,200 | 151,800,000 | 7.12% | 140,000,000 | -1.21% | 145,111,000 | 2.40% | 125,200,000 | -11.65% |
| Privilege Tax - Less Earmarked Portion | 177,389,600 | 208,000,000 | 17.26% | 208,000,000 (2) | 17.26% | 210,673,000 | 18.76% | 207,700,000 | 17.09% |
| Gross Receipts Tax - TVA | 200,296,900 | 204,300,000 | 2.00% | 198,600,000 | -0.85% | 198,775,000 | -0.76% | 203,100,000 | 1.40% |
| Gross Receipts Tax - Other | 24,034,100 | 24,000,000 | -0.14% | 24,500,000 | 1.94% | 19,605,000 | -18.43% | 22,200,000 | -7.63% |
| Beer Tax | 15,347,400 | 17,800,000 | 15.98% | 17,500,000 | 14.03% | 17,142,000 | 11.69% | 17,300,000 | 12.72% |
| Alcoholic Beverage Tax | 30,032,300 | 34,300,000 | 14.21% | 34,100,000 | 13.54% | 33,552,000 | 11.72% | 34,200,000 | 13.88% |
| Franchise & Excise Taxes | 966,300,600 | 1,017,400,000 | 5.29% | 1,000,000,000 | 3.49% | 1,017,000,000 | 5.25% | 1,036,700,000 | 7.29% |
| Inheritance and Estate Tax | 104,480,700 | 92,100,000 | -11.85% | 95,000,000 | -9.07% | 98,800,000 | -5.44% | 118,800,000 | 13.71% |
| Tobacco Tax | 85,596,100 | 116,100,000 | 35.64% | 117,300,000 | 37.04% | 117,381,000 | 37.13% | 114,700,000 | 34.00% |
| Motor Vehicle Title Fees | 10,646,000 | 10,900,000 | 2.39% | 11,000,000 | 3.33% | 11,019,000 | 3.50% | 10,900,000 | 2.39% |
| Mixed Drink Tax | 35,860,800 | 37,000,000 | 3.18% | 37,500,000 | 4.57% | 37,403,000 | 4.30% | 38,000,000 | 5.97% |
| Business Tax | 21,115,000 | 96,400,000 | 356.55% | 91,400,000 | 332.87% | 96,400,000 | 356.55% | 95,200,000 | 350.86% |
| Severance Tax | 1,079,600 | 1,100,000 | 1.89% | 1,100,000 | 1.89% | 1,100,000 | 1.89% | 1,100,000 | 1.89% |
| Coin Operated Amusement Tax | 31,400 | 3,400,000 | NA | 3,400,000 | NA | 3,400,000 | NA | 3,400,000 | NA |
| TOTAL DEPARTMENT OF REVENUE | \$ 7,468,977,400 | \$ 8,470,700,000 | 13.41% | \$ 8,408,200,000 | 12.57% | \$ 8,472,465,000 | 13.44% | \$ 8,447,400,000 | 13.10% |
| GENERAL FUND ONLY (3) | \$ 5,986,879,800 | \$ 6,973,600,000 | 16.48% | \$ 6,909,100,000 | 15.40% | \$ 6,960,765,000 | 16.27% | \$ 6,965,000,000 | 16.34% |
| Budgeted Est. Compared to New Est. - Total | | | | -\$62,500,000 | | \$ 1,765,000 | | -\$23,300,000 | |
| Budgeted Est. Compared to New Est. - Gen. Fund | | | | -\$64,500,000 | | -\$12,835,000 | | -\$8,600,000 | |
| SELECTED TAXES | ACTUAL | BUDGETED | % | DR. FOX | % | FISCAL REVIEW | % | REVENUE DEPT. | % |
| SALES AND USE TAX | \$ 4,645,724,300 | \$ 5,426,300,000 | 16.80% | \$ 5,390,000,000 | 16.02% | \$ 5,416,000,000 | 16.58% | \$ 5,398,300,000 | 16.20% |
| FRANCHISE AND EXCISE TAXES | 966,300,600 | 1,017,400,000 | 5.29% | 1,000,000,000 | 3.49% | 1,017,000,000 | 5.25% | 1,036,700,000 | 7.29% |
| INCOME TAX | 141,710,200 | 151,800,000 | 7.12% | 140,000,000 | -1.21% | 145,111,000 | 2.40% | 125,200,000 | -11.65% |
| ALL OTHER TAXES | 1,715,242,300 | 1,875,200,000 | 9.33% | 1,878,200,000 | 9.50% | 1,894,354,000 | 10.44% | 1,887,200,000 | 10.03% |

(1) The Budgeted Estimate is the May 2002 Mid-Point estimate plus \$933.2 million in new tax revenues raised by 2002 Public Chapter 856.

(2) Privilege Tax estimates are reduced by \$32,000,000 in 2002-2003 for the earmarked portion of the tax.

(3) F&A calculated the General Fund distribution for all presenters.

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2003-2004**

Attachment 4

(Accrual - Basis Estimates)

| DEPARTMENT OF REVENUE | 2003-2004 | | | | | |
|--|-------------------------|--------------|-------------------------|--------------|------------------------|--------------|
| | 02/10/2003 | % CHANGE | 02/10/2003 | % CHANGE | 02/10/2003 | % CHANGE |
| | ESTIMATE | OVER 02-03 | ESTIMATE | OVER 02-03 | ESTIMATE | OVER 02-03 |
| SOURCE OF REVENUE | DR. FOX | ESTIMATE | FISCAL REVIEW | ESTIMATE | REVENUE DEPT. | ESTIMATE |
| Sales and use Tax | \$ 5,578,600,000 | 3.50% | \$ 5,605,560,000 | 3.50% | \$5,568,400,000 | 3.15% |
| Gasoline Tax | 588,500,000 | 1.00% | 600,161,000 | 1.00% | 588,500,000 | 1.00% |
| Motor Fuel Tax | 165,100,000 | 5.03% | 162,897,000 | 2.00% | 162,600,000 | 1.94% |
| Gasoline Inspection Tax | 64,700,000 | 2.86% | 63,224,000 | 2.00% | 62,100,000 | 0.49% |
| Motor Vehicle Registration Tax | 245,400,000 | 3.98% | 242,907,000 | 4.16% | 225,800,000 | 4.25% |
| Income Tax | 145,600,000 | 4.00% | 150,915,000 | 4.00% | 134,900,000 | 7.75% |
| Privilege Tax - Less Earmarked Portion | 217,600,000 (1) | 4.62% | 218,047,000 | 3.50% | 207,900,000 | 0.10% |
| Gross Receipts Tax - TVA | 204,600,000 | 3.02% | 202,751,000 | 2.00% | 202,800,000 | -0.15% |
| Gross Receipts Tax - Other | 26,200,000 | 6.94% | 20,193,000 | 3.00% | 22,100,000 | -0.45% |
| Beer Tax | 17,800,000 | 1.71% | 17,378,000 | 1.38% | 17,100,000 | -1.16% |
| Alcoholic Beverage Tax | 34,800,000 | 2.05% | 34,343,000 | 2.36% | 34,400,000 | 0.58% |
| Franchise & Excise Taxes | 1,010,000,000 | 1.00% | 1,027,000,000 | 0.98% | 1,076,600,000 | 3.85% |
| Inheritance and Estate Tax | 95,000,000 | 0.00% | 100,776,000 | 2.00% | 122,200,000 | 2.86% |
| Tobacco Tax | 118,400,000 | 0.94% | 118,838,000 | 1.24% | 119,400,000 | 4.10% |
| Motor Vehicle Title Fees | 11,100,000 | 0.91% | 11,239,000 | 2.00% | 10,900,000 | 0.00% |
| Mixed Drink Tax | 39,400,000 | 5.07% | 38,525,000 | 3.00% | 38,400,000 | 1.05% |
| Business Tax | 92,000,000 | 0.66% | 98,328,000 | 2.00% | 93,600,000 | -1.68% |
| Severance Tax | 1,100,000 | 0.00% | 1,100,000 | 0.00% | 1,100,000 | 0.00% |
| Coin Operated Amusement Tax | 3,500,000 | 2.94% | 4,100,000 | 20.59% | 4,100,000 | 20.59% |
| TOTAL DEPARTMENT OF REVENUE | \$ 8,659,400,000 | 2.99% | \$ 8,718,282,000 | 2.90% | \$8,692,900,000 | 2.91% |
| GENERAL FUND ONLY (2) | \$ 7,124,700,000 | 3.12% | \$ 7,176,682,000 | 3.10% | \$7,184,300,000 | 3.15% |
| Growth over FY 03 Budgeted Est. - Total | \$188,700,000 | | \$247,582,000 | | \$222,200,000 | |
| Growth over FY 03 Budgeted Est. - Gen. Fund | \$151,100,000 | | \$203,082,000 | | \$210,700,000 | |
| SELECTED TAXES | DR. FOX | % | FISCAL REVIEW | % | REVENUE DEPT. | % |
| SALES AND USE TAX | \$ 5,578,600,000 | 3.50% | \$ 5,605,560,000 | 3.50% | \$5,568,400,000 | 3.15% |
| FRANCHISE AND EXCISE TAXES | 1,010,000,000 | 1.00% | 1,027,000,000 | 0.98% | 1,076,600,000 | 3.85% |
| INCOME TAX | 145,600,000 | 4.00% | 150,915,000 | 4.00% | 134,900,000 | 7.75% |
| ALL OTHER TAXES | 1,925,200,000 | 2.50% | 1,934,807,000 | 2.14% | 1,913,000,000 | 1.37% |

(1) Privilege Tax estimates are reduced by \$32,000,000 in 2003-2004 for the earmarked portion of the tax.

(2) F&A calculated the General Fund distribution for all presenters.

Revenue Sources and Basis of Apportionment

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Revenue

SALES AND

USE TAX.....7.0% is the general rate that applies to the gross proceeds derived from the retail sale or use of tangible personal property and specific services. A one-half of one percent portion of the gross tax is earmarked solely for the Education Fund and the remaining 6.5% portion is distributed to various funds (TCA 67-6-201 through 67-6-205, 67-6-212, 67-6-213, and 67-6-220). Also, rates varying from 1% to 8.25% apply to other items and services including the following: 6% for the retail sale of food and food ingredients for human consumption (TCA 67-6-228); 7% for merchandise purchased from any vending machine (TCA 67-6-102(24)(I)); 1.5% for energy fuels used by manufacturers and nurserymen, and 1% for water used by manufacturers (TCA 67-6-206(b) and 67-6-218); 3.5% for manufactured homes (TCA 67-6-216); 4.5% for aviation fuel (TCA 67-6-217); 3.75% for common carriers (TCA 67-6-219); 7.5% for interstate telecommunication services sold to businesses (TCA 67-6-221); 8.25% for cable and wireless TV services (if \$15 or more) and satellite TV services (TCA 67-6-226 and 67-6-227). An additional tax of 2.75% is imposed on the amount for single article sales of personal property in excess of \$1,600 but less than or equal to \$3,200 (TCA 67-6-202(a)).

General Fund.....100% of the 1.0% increase in the general rate enacted in 2002 and 100% of the additional tax imposed on single article sales. 29.0246% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, less amounts paid to premier resorts (TCA 67-6-103). Also, amounts from wireless cable television services in excess of \$15 but less than \$27.50 (TCA 67-6-103(f)), and from interstate telecommunication services sold to businesses (TCA 67-6-221(b)). In

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

addition, amounts from the tax on interstate telecommunication services sold to businesses are earmarked to the Telecommunication Ad Valorem Tax Reduction Fund (TCA 67-6-221(b)).

| | |
|------------------------|---|
| Administration..... | 0.3674% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund (TCA 67-6-103). |
| Education Fund | 65.0970% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, and 100% of one-half of one percent of the gross tax (TCA 67-6-103 and 49-3-357). Also, amounts from interstate telecommunication services sold to businesses (TCA 67-6-221(b)). |
| Highway Fund..... | An amount equivalent to tax collections from air, rail and barge fuel sales is earmarked for the Transportation Equity Trust Fund (TCA 67-6-103(b)). |
| Debt Service Fund..... | 0.9185% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, or whatever amount is necessary to meet debt service requirements (TCA 67-6-103 and 9-9-106, and Section 1 of the general appropriations bill). |
| Municipalities..... | 4.5925% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund, less the MTAS grant (0.95% of the amount from the preceding calculation during FY 1998-99 and 1.0% thereafter) to the University of Tennessee. Premier resorts receive 4.5925% of the tax collected by dealers within their boundaries. The collective amount distributed to municipalities including premier resorts is limited to the amount distributed in the 1999-2000 fiscal year (TCA 67-6-103). Also, one-half of the amount from wireless cable television services in excess of \$27.50 is distributed in accordance with TCA 67-6-712 (Local Option) based on population (TCA 67-6-103(f)); and one-half of the amount |

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

allocated to municipalities and counties from the tax on interstate telecommunication services sold to businesses is distributed based on population (TCA 67-6-221 (b)).

Counties.....One-half of the amount from wireless cable television services in excess of \$27.50 is distributed in accordance with TCA 67-6-712 (Local Option) based on population (TCA 67-6-103(f)). Also, one-half of the amount allocated to municipalities and counties from the tax on interstate telecommunication services sold to businesses is distributed based on population (TCA 67-6-221 (b)).

GASOLINE TAX.....\$.20 on each gallon of gasoline sold, stored, or distributed in the state (TCA 67-3-1301 and 60-4-102).

General Fund.....Approximately 1.7% (TCA 67-3-2001).

Highway Fund.....Approximately 60.1%, less an amount to the Debt Service Fund (TCA 67-3-2001).

Debt Service FundAmount required from Highway Fund apportionment (TCA 9-9-103 and 67-3-2001).

CitiesApproximately 12.7% based on population (TCA 54-4-203 and 67-3-2001).

Counties.....Approximately 25.5% based $\frac{1}{4}$ on population, $\frac{1}{4}$ on area, and $\frac{1}{2}$ divided equally (TCA 54-4-103 and 67-3-2001).

MOTOR FUEL TAX\$.17 on each gallon of diesel fuel and all fuel other than gasoline, except dyed fuel under IRS rules (TCA 67-3-1302); a prepaid annual agricultural diesel tax ranging from \$56 to \$159, based on registered gross weight (TCA 67-3-2409); \$.13 on each gallon of compressed natural gas used for motor vehicles on public highways (TCA 67-3-2213); \$.14 on each gallon of

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

liquefied gas used for motor vehicles on public highways (TCA 67-3-2202); and an annual vehicle tax on liquefied gas users ranging from \$70 to \$114, based on registered gross vehicle weight (TCA 67-3-2206).

| | |
|------------------------|---|
| General Fund..... | Approximately 1.9% (TCA 67-3-2005, 67-3-2008, and 67-3-2001(k)). |
| Highway Fund..... | Approximately 71.9%, less an amount to the Debt Service Fund and less 2% to the General Fund (TCA 67-3-2005, 67-3-2008, and 67-3-2001 (k)). |
| Debt Service Fund..... | Amount required from Highway Fund apportionment (TCA 9-9-105, 9-9-106, 67-3-2005, and 67-3-2008). |
| Cities | Approximately 8.7% based on population (TCA 54-4-203, 67-3-2005, and 67-3-2008). |
| Counties..... | Approximately 17.5% based ¼ on population, ¼ on area, and ½ divided equally (TCA 54-4-103, 67-3-2005, and 67-3-2008). |

**GASOLINE
INSPECTION TAX
(SPECIAL
PETROLEUM
PRODUCTS AND
EXPORT TAX)**

\$.01 for each gallon of gasoline and most other volatile fuels sold, used, or stored (TCA 67-3-1303); an additional \$.004 per gallon for the environmental assurance fee (TCA 67-3-1304 and 68-215-110); and an export fee of 1/20 of one cent on fuels subject to the special petroleum products tax (TCA 67-3-1305).

| | |
|-------------------|---|
| General Fund..... | 2% of the balance remaining after the local government apportionment of the \$.01 per gallon tax and the export fee (TCA 67-3-2006). 100% of the environmental assurance fee is earmarked for the Petroleum Underground Storage Tank Fund (TCA 68-215-110). |
| Highway Fund..... | 98% of the balance remaining after the local government apportionment of the |

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

\$.01 per gallon tax and the export fee (TCA 67-3-2006).

Debt Service Fund.....Amount required from General Fund and Highway Fund apportionments (TCA 9-9-103).

Cities and CountiesA local government fund of \$12,017,000, of which 38.1% is for county roads and the remainder for city roads (less a \$120,000 grant to the University of Tennessee Center for Government Training) (TCA 67-3-2006).

MOTOR VEHICLE

REGISTRATION.....Fees received from registration and licensing of motor vehicles. Rates are based on classification of vehicles (TCA 55-4-103 and 55-4-111 through 55-4-113, 55-4-115, 55-4-132 and Title 55, Chapter 4, Part 2).

General Fund.....100% of the revenues from the 2002 increase in commercial vehicle registration fees. 2% of the balance of registration fee revenue (TCA 55-6-107) after the allocation of \$2.75 per vehicle plate to the General Fund (TCA 55-4-103), of which \$1 from non-freight registration is earmarked for police pay supplement (TCA 55-4-111); and after an additional \$2 per motorcycle plate to the General Fund, earmarked for the motorcycle rider safety fund (TCA 55-51-104); except for special license plates, for which all revenue above the expense incurred in designing, manufacturing and marketing such plates is allocated in the following manner: personalized plates - 100% to the Arts Commission (TCA 55-4-214); specialty earmarked plates - 50% to the nonprofit organization, state agency or fund earmarked and 40% to the Arts Commission (55-4-215); cultural plates - 80% to the Arts Commission (55-4-216). A \$1 registration and renewal fee is earmarked to the Dept. of Safety for funding a computerized titling and registration system; this fee is effective from July 1, 1999, to June 30, 2004 (TCA 55-4-132). All

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

penalties and fines, except only 20% of overweight-truck fines, earmarked for administration (TCA 55-6-107); less an amount required for debt service (TCA 55-6-107 and 9-9-103). Also, an amount is allocated from the Highway Fund for motor vehicle registration plates in the annual appropriations bill (TCA 55-6-107(a)).

Highway Fund After allocation of 100% of the revenues from the 2002 commercial vehicle registration fee increase to the General Fund, 98% of the balance of registration fee revenue (TCA 55-6-107) after the allocation of \$2.75 per vehicle plate, an additional \$2 per motorcycle plate, and an amount sufficient to fund the cost of issuing motor vehicle registration plates to the General Fund; 10% of the revenue from specialty earmarked plates (55-4-215) and 20% of the revenue from cultural plates (55-4-216); and 80% of overweight-truck fines (TCA 55-6-107), and less an allocation to the General Fund for motor vehicle registration plates (TCA 55-6-107(a)).

Debt Service Fund Amount required from General Fund and Highway Fund apportionment (TCA 55-6-107 and 9-9-103).

INCOME TAX.....6% on incomes from dividends on stocks or interest on certain bonds (TCA 67-2-102).

General Fund 5/8 of revenue and an administrative expense of 10% of the first \$200,000 and 5% of the remainder of the tax (TCA 67-2-117 through 67-2-119).

Cities and Counties 3/8 of revenue to the local governments by situs, less the General Fund administrative apportionment (TCA 67-2-117 and 67-2-119).

PRIVILEGE TAX..... Various taxes on litigation in the courts, domestic protection civil penalties (\$50), sex offender tax (maximum \$3,000), realty transfer tax (37 cents per \$100 of consideration or property value), mortgage recordation

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

tax (11.5 cents per \$100 of principal indebtedness), tire tax (\$1 per tire sold), occupational tax (\$400 on certain occupations), \$15 marriage license fee, plus a \$60.00 state share of a \$62.50 marriage license fee for couples not completing a premarital preparation course, a packaged automotive oil fee (2 cents per quart), and a 3% surcharge tax on certain rental motor vehicles, \$12 per bail bond, and a maximum fine of \$200 for persons convicted of either assault, aggravated assault, or domestic assault. The tire tax, automotive oil fee, and a portion of the litigation taxes are reported under the "Other State Revenue" section of the revenue statement (TCA 16-15-5007, 36-3-610, 36-6-413, 39-13-101, 39-13-102, 39-13-111, 39-13-709, 67-4-409, 67-4-411, 67-4-602, 40-24-107, 67-4-1603, 67-4-1701 through 67-4-1703, 67-4-1901, 68-211-1006, 67-4-803, and 67-4-804).

General Fund..... 100% less certain litigation taxes earmarked for various retirement funds. Portions of litigation taxes are earmarked for Corrections Institute, driver education and highway safety, criminal injuries compensation, victims of crime assistance, State Court Clerks Conference, General Sessions Judges Conference staffing expenses of the state administrative director of the courts, indigent defense attorneys' compensation, civil legal representation of indigents, and electronic fingerprint imaging systems for local law enforcement agencies. The State's 95% share of the sex offender tax is earmarked for treatment programs. Civil penalties from violation of domestic protection orders are earmarked for domestic violence community education. Portions of the realty transfer tax are designated for the 1986 Wetland Acquisition Fund, Local Parks Acquisition Fund, State Lands Acquisition Fund, and Agricultural Resources Conservation Fund (TCA 16-15-5007, 36-3-616, 39-13-709, 40-

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

24-107, 67-4-409, 67-4-602, 67-4-606, 67-4-1701, and 67-4-1905). In addition, portions of the proceeds of the sale of various contraband items seized under alcoholic beverage laws are reported under the privilege tax and earmarked for criminal injuries compensation. These proceeds are explained below under the alcoholic beverage tax (TCA 40-24-107). From the automobile rental surcharge \$1.5 million is earmarked for the Department of Safety to train, equip, and pay members of the Tennessee highway patrol (TCA 67-4-1905). Of the bail bond tax 96% is earmarked for the civil legal representation of low-income persons as determined by the Tennessee Supreme Court and 4% is earmarked for development costs and continuing education for bail bonding agents (TCA 67-4-806). Revenue from the assault fines is directed to fund family violence shelters and services (TCA 39-13-101, 39-13-102, and 39-13-111). The \$60 marriage license fee is earmarked for various departments and organizations concerned with family and children's issues (TCA 36-6-413).

GROSS RECEIPTS

TAX.....Taxes levied principally on the gross receipts of certain types of businesses operating in the state. The main sources are taxes on the following portions of gross receipts: 1.9% on soft-drink bottlers, 3% on gross receipts over \$5,000 of intrastate water and electric power distribution companies, 1.5% on manufactured or natural gas intrastate distributors, 15% on mixing bars and clubs, and an in lieu of tax payment by the Tennessee Valley Authority (TVA) (TCA 67-4-402, 67-4-405, 67-4-406, 67-4-410, and 16 USC 831(1)); and a \$10 per year firearms dealer permit fee (TCA 39-17-1316).

General Fund.....79% of bottlers' gross receipts tax, plus 2% of gross highway litter amount from the Highway Fund, 100% of various other gross receipts taxes, and TVA in lieu of tax

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

payments equal to FY 1977-78 payments and 48.5% of any TVA payments received by the state which exceed the amount paid in FY 1977-78, less approximately \$4.1 million distributed to local governments (TCA 67-3-2001(k), 67-9-101 through 67-9-103 and 67-4-402).

Highway Fund Approximately 21% of the bottlers' gross receipts tax is earmarked for litter control, less 2% to the general fund (TCA 67-3-2001(k) and 67-4-402).

Cities and Counties 51.5% of the TVA in lieu of tax payments which exceed state receipts in FY 1977-78, of which approximately 65.9% is designated for counties based ½ on population and ½ on area, 28.3% for municipalities based on population, and 5.8% for impacted local areas affected by TVA construction, plus an amount equal to that received by local governments in FY 1977-78 (\$4.1 million). Portions of this share are earmarked for TACIR and, under some circumstances, for CTAS and additional funds for TACIR. With no local areas impacted by TVA construction, the 5.8% impact fund is allocated as follows: 30% to CTAS, 40% to TACIR, and 30% is returned to be included in the amount distributed to cities and counties. Any funds remaining after other allocations provided for in TCA 67-9-102 are allocated to any regional development authorities created by TCA 64-5-201 that have acquired a former nuclear site from TVA (TCA 67-9-101 through 67-9-103).

BEER EXCISE

TAX.....Registration fees imposed on beer wholesalers (\$20) and manufacturers (\$40); a privilege tax of \$4.29 per 31-gallon barrel of beer manufactured or sold in the state (TCA 57-5-102 and 57-5-201).

General Fund 67.1% of privilege tax collections (4% of total tax earmarked for

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

administration and 0.41% for alcohol and drug treatment programs); 100% of registration fees (earmarked 50% for the Department of Revenue and 50% for Highway Patrol) (TCA 57-5-102, 57-5-202, and 57-5-205).

| | |
|---------------------|---|
| Highway Fund..... | 12.8% of privilege tax collections for litter control (TCA 57-5-205). |
| Counties..... | 10.05% of privilege tax collections distributed equally (TCA 57-5-205). |
| Municipalities..... | 10.05% of privilege tax collections based on population (TCA 57-5-205). |

**ALCOHOLIC
BEVERAGE**

TAX.....\$1.21 per gallon on wine and \$4.40 per gallon on spirits, plus license and permit fees for manufacturers (\$1,000), wholesalers (\$1,000), retailers (\$500), and their representatives (from \$2 to \$50) (TCA 57-3-202, 57-3-203, 57-3-204, and 57-3-302).

| | |
|-------------------|---|
| General Fund..... | 82.5% of distilled spirit and wine gallonage taxes, calculated on the total collections less 4 cents per liter of spirit tax (TCA 57-3-306); 100% of fees from licenses and permits, earmarked up to 100% to the Alcoholic Beverage Commission for enforcement of liquor laws (TCA 57-3-111); and the following shares of proceeds from sales of seized items, all earmarked for criminal injuries compensation and reported under the privilege tax collections (TCA 40-24-107): 100% from liquor seized by state agents (TCA 57-9-115); 50% from vehicles, aircraft, and boats seized by local law enforcement officers (TCA 57-9-201); and 50% from other contraband goods seized, less 15% retained for administration as departmental current services revenue by Department of General Services (TCA 57-9-205, 12-2-207, and 12-2-209). In addition, 15% of proceeds of sale of liquor seized by local officers is retained for administration as |
|-------------------|---|

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

departmental revenue by the Department of General Services (TCA 57-9-115, 12-2-207 and 12-2-209).

Counties.....\$.04 per liter of spirit tax, earmarked for county in which distillery is located, plus 17.5% of the balance of spirit and wine gallonage taxes, less \$192,000 earmarked for CTAS. In counties of 250,000 or more population, 30% of their allocation is paid by the county to cities of 150,000 or more population (TCA 57-3-306). Also, 50% of the proceeds of sale of contraband goods, less 15% retained as departmental revenue by the Department of General Services (TCA 57-9-205, 12-2-207, and 12-2-209).

Cities and Counties90% of the proceeds of sale of liquor seized by local law enforcement officers, earmarked to city or county employing officer (TCA 57-9-115), and 50% of proceeds of sale of vehicles, aircraft, and boats seized by local officers, earmarked to city or county employing officer (TCA 57-9-201).

FRANCHISE TAX.....\$.25 on each \$100 of stock surplus or undivided profits of entities for the privilege of doing business within the state. The tax applies to business entities that enjoy some form of limited liability protection. The minimum tax is \$100 (TCA 67-4-2105 through 67-4-2109).

General Fund.....100% less an amount to the Debt Service Fund (TCA 67-4-2120).

Debt Service FundAmount required from General Fund apportionment (TCA 9-9-103).

EXCISE TAX.....6.5% of net earnings of all business conducted for a profit in this state. The tax applies to business entities that enjoy some form of limited liability protection. Current year losses may be carried forward as many as 15 years in computing net earnings

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

subject to tax (TCA 67-4-2006 and 67-4-2007).

| | |
|---------------------------|---|
| General Fund..... | Remaining balance after cities, counties, and Debt Service Fund distribution (TCA 67-4-2017). |
| Debt Service Fund | Amount required from General Fund apportionment (TCA 9-9-103). |
| Cities and Counties | An amount based on bank earnings is distributed based on situs in lieu of intangible personal property taxes on banks and banking associations (TCA 67-4-2017). |

**INHERITANCE,
ESTATE, AND
GIFT TAX**

Inheritance tax ranges from a rate of 5.5% on the value of net taxable estates of at least \$40,000 to a rate of \$30,200 plus 9.5% of the value in excess of \$440,000 for decedents dying after 1988. The exemption levels for beneficiaries are as follows: \$600,000 for decedents dying in 1990 through June 30, 1998, \$650,000 for those dying in 1999, \$675,000 for those dying in 2000 and 2001, and \$700,000 for those dying in 2002 and 2003. Gifts made after 1983 are taxed at rates ranging from 5.5% on gifts up to \$40,000 to 9.5% on the excess over \$440,000 for Class A beneficiaries and from 6.5% on gifts up to \$50,000 to 16% on the excess over \$200,000 for Class B beneficiaries. Gift tax exemptions of \$10,000 and \$5,000 are allowed for Class A and Class B donees, respectively (TCA 67-8-101 through 67-8-106, 67-8-204, 67-8-303, 67-8-314, and 67-8-316).

General Fund..... 100% (TCA 67-8-210 and 67-8-415).

TOBACCO TAX.....\$.01 per cigarette or \$.20 per package of 20; \$.0005 per cigarette pack enforcement fee; 6.6% of wholesale price on other tobacco products; license fees of \$10 to \$20 per location for sellers, distributors, and handlers; proceeds of sale of confiscated goods; and penalties of \$100 to \$5,000 for

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

violations of the Unfair Cigarette Sales Law (TCA 67-4-1002 through 67-4-1005, 67-4-1015, 67-4-1020, and 47-25-311).

General Fund.....Approximately 0.6% (includes 4% of taxes from tobacco other than cigarettes and of proceeds of sale of confiscated tobacco products and 100% of the \$.0005 per pack enforcement fee, all earmarked for administration) (TCA 67-4-1025).

Education FundApproximately 99.4% (includes 100% of cigarette taxes, earmarked for grades 1-12; 100% of license fees and penalties; and 96% of the 6% tax rate on other tobacco taxes and of proceeds of sale of confiscated tobacco products) (TCA 67-4-1025 and 49-3-357).

MOTOR VEHICLE

TITLE FEES.....\$5 certificate of title fee and other fees received for the issuance of motor vehicle titles and noting of liens (TCA 55-6-101).

General Fund.....Approximately 76% (including 50 cents of the \$5 fee, earmarked for enforcement action against odometer fraud; and a portion of \$1.50 of the \$5 fee in excess of debt service requirements, earmarked for State Parks capital projects) (TCA 55-6-101 and 55-6-103).

Debt Service Fund.....Approximately 24% (including a portion of \$1.50 of the \$5 fee, earmarked for debt service on a State Parks bond issue) (TCA 55-6-101).

MIXED DRINK

TAX.....A license tax of \$300 to \$1,500 for the privilege of selling alcoholic beverages for consumption on premises and a 15% gross receipts tax on sales (TCA 57-4-301).

General Fund.....100% of the privilege tax (TCA 57-4-306).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Education Fund50% of the 15% gross receipts tax (TCA 57-4-306 and 49-3-357).

Cities and Counties50% of the 15% gross receipts tax, of which one half is earmarked for education and one half is distributed to the city or county based on situs (TCA 57-4-306).

BUSINESS TAXTax imposed principally by local units of government on certain businesses, vocations, and operations carried on within this state (TCA 67-4-701, 67-4-704, 67-4-705, 67-4-707 through 67-4-709, and 67-4-714 through 67-4-717). 15% of all taxes collected locally are remitted to the state by the collector of each county and incorporated municipality. In addition, all increased revenues directly attributable to the 2002 amendments to TCA 67-4-709(b) are remitted to the state (TCA 67-4-724).

General Fund..... 100% (TCA 67-4-725).

**CRUDE OIL AND
NATURAL GAS**

SEVERANCE TAX3% of the sales price of severed oil and natural gas in the state (TCA 60-1-301).

General Fund..... 2/3 of tax (TCA 60-1-301).

Counties..... 1/3 of tax distributed to county of severance (TCA 60-1-301).

COAL

SEVERANCE TAX\$.20 per ton of severed coal in the state (TCA 67-7-103 and 67-7-104).

General Fund..... 3% of \$.20 gross tax and all penalties and interest (collected as departmental current services revenue of the Department of Revenue) (TCA 67-7-110).

Counties..... 97% of \$.20 gross tax distributed to county of severance, of which 50% is earmarked for highway and stream cleaning (TCA 67-7-110).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

**COIN-OPERATED
AMUSEMENT**

MACHINE TAX.....\$10 per bona fide coin-operated amusement machine offered for commercial use and play by the public. Also, an annual master license tax is levied on machine owners ranging from \$500 to \$2,000 depending on the number of machines owned and offered for use (TCA 67-4-2204 and 67-4-2205).

General Fund..... 100%.

Department of Commerce and Insurance

**INSURANCE
COMPANY**

PREMIUM TAX.....Life, accident, and health companies are taxed on gross premiums paid by or for policyholders located in the state at a rate of 1.75%; domestic life companies also pay 1.75%; health maintenance organizations are taxed 2% on gross dollars collected on an enrollee's behalf. Companies writing fire insurance and lines of business having fire coverages as a part of the risk rate pay a 0.75% tax. All other companies pay at 2.5% on properties located in the state, except captive insurance companies, which pay 1% gross premium tax. Other revenues collected include insurance agent taxes and fees, examination fees, certificates of qualifications, broker fees, privilege taxes, certificates of authority, utilization review fees, and miscellaneous fees (TCA 56-4-101, 56-4-203, 56-4-205, 56-4-208, 56-4-218, and other provisions of Title 56, Chapter 4, Part 2; Title 56, Chapter 6, Part 1; 56-21-111; 56-24-104; and 56-32-224).

General Fund..... 100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

WORKERS'

COMPENSATION4% on gross premiums collected plus a 0.4% surcharge on said premiums which is earmarked for administration of the Tennessee Occupational Safety and Health Act (TCA 50-6-401 and 56-4-207).

General Fund..... 100% (TCA 8-22-118).

HEALTH CLUBS'

CERTIFICATES OF

REGISTRATION.....Fees for issuance of certificates of authority (TCA 47-18-302).

General Fund..... 100%.

911 EMERGENCY

COMMUNICATIONS

FUNDMonthly fee of \$1.00 charged to every commercial mobile radio service (cellular phone) provider's customers. Collected funds are distributed to the State's emergency communications districts to support 911 service and 911 location technology deployment. Commercial mobile radio service providers may retain 3% of the fees collected for administrative expenses (TCA 7-86-108 and 7-86-303).

General Fund..... 100% (earmarked for the 911 Emergency Communications Fund) (TCA 7-86-108).

Department of Financial Institutions

FINANCIAL

INSTITUTIONS.....Annual banking fee received from state chartered banks on a pro rata basis based on assets, not to exceed the annualized fee that a state bank would pay if it were a national bank of equivalent asset size, except that banks are required to pay a minimum of \$5,000 (TCA 45-1-118).

General Fund..... 100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Wildlife Resources Agency

WILDLIFE

RESOURCESFees received from the sale of hunting and fishing licenses, stamp tax on shells, permits, metallic cartridges, fines, private lake operations, and minnow dealers (TCA 70-2-201 through 70-2-222 and 70-3-101).

General Fund100% (earmarked exclusively for Wildlife Resources Agency) (TCA 70-1-401).

BOATING SAFETYFees received for the registration of propelled vessels for a one-, two-, or three-year period; and a portion of the tax on marine fuel (TCA 67-10-207 and 67-3-2001(g)).

General Fund100% (earmarked for administration of the Boating Safety Program) (TCA 67-3-2001(g), 69-10-207, and 69-10-208).

Department of Agriculture

**AGRICULTURAL
REGULATORY**

FUNDFees from plant and insect pest control industry license, registration, certification, and charter applications and from sample analyses, civil penalties, and damages (TCA 43-1-701, 703, and 704).

General Fund100% (earmarked for Regulatory Services Programs) (TCA 43-1-701 through 43-1-703).

FERTILIZER

INSPECTIONFee based on \$.20 per ton for all commercial fertilizer (TCA 43-11-106).

General Fund100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

FEED

INSPECTIONFee based on \$.10 per ton for all commercial feeds (TCA 44-6-109).

General Fund.....100% (earmarked for administrative expenses) (TCA 43-1-104).

RETAIL FOOD

STORE

INSPECTION ACT

OF 1986Fee based on types of food sold and seating capacity (TCA 53-8-214).

General Fund.....100%.

TENNESSEE

STATE PUBLIC

LIVESTOCK

MARKET BOARDFee based on charter application (TCA 44-12-111).

General Fund.....100%.

DOG AND CAT

BREEDERS.....Fee based on type of facility and volume of animal transactions (TCA 44-17-104(b)).

General Fund.....100%.

Regulatory Board Fees

REGULATORY

BOARDSFees received from the issuance of licenses and permits to engage in certain professions and from licensing of health care facilities (TCA 4-3-1011, 4-3-1304, 4-29-121, Titles 62 and 63, 68-11-216, 68-29-113, and other provisions of Title 68).

General Fund.....100%.

Tennessee Regulatory Authority

PUBLIC

UTILITIES.....Fees for applicable holders of certificates of public convenience and necessity. Annual fees for inspection, control, and supervision of utilities and their rates. The amount of fee is based on gross receipts of each public

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

utility in excess of \$5,000 annually as follows: \$3 per \$1,000 for the first \$1 million or less of such gross receipts over \$5,000. The fee for gross receipts over \$1 million is \$2 per \$1,000. Minimum fee, \$100. A \$10 annual registration fee for each privately owned public pay phone is also collected (TCA 65-4-301 through 65-4-308).

General Fund.....100% (earmarked for Tennessee Regulatory Authority) (TCA 65-4-307).

UNIVERSAL

SERVICE.....Fees as required by TRA to ensure the availability of affordable residential basic, local exchange telephone service. Fees are required by TRA as are necessary to support universal service and fund administration of the mechanism (TCA 65-5-207).

General Fund.....100% (earmarked for Tennessee Regulatory Authority) (TCA 65-4-307 and 64-4-120).

TELEMARKETING.....A fee of \$500 per year for access to a database of telephone numbers of residential subscribers who object to receiving telephone solicitations. The Authority may also impose a civil penalty up to a maximum of \$2,000 for each violation of state laws regulating telephone solicitation (65-4-405).

General Fund.....100% (earmarked for Tennessee Regulatory Authority) (TCA 65-4-405).

**TDAP
DISTRIBUTION
PROGRAM**.....

Fees paid by telecommunication service providers with annual Tennessee intrastate gross receipts in excess of \$5,000,000. Fees assessed will not to exceed \$750,000 per year in total for the establishment of a fund for support of the telecommunications assistive device distribution program

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

(TDAP). The reserve fund for the program shall not exceed \$1 million. (65-21-115).

General Fund.....100% (earmarked for TDAP program of Tennessee Regulatory Authority) (TCA 65-21-115).

GAS SAFETY

INSPECTIONAnnual fee for the inspection and supervision of safety standards to all gas distribution systems (not applicable to gas companies subject to TCA 65-4-301). Fees based on number of meters on a declining scale (\$.65 down to \$.35 per meter). Minimum fee, \$100 (TCA 65-28-110(c)).

General Fund.....100% (earmarked for Tennessee Regulatory Authority) (TCA 65-4-307).

MISCELLANEOUS.....A \$25.00 fee per party for filing a petition with the TRA, and fees for copies of records (TCA 65-2-103 and 65-1-212).

General Fund.....100% (earmarked for Tennessee Regulatory Authority) (TCA 65-4-307).

Secretary of State

FEES AND TAXESAll fees and taxes received from notary certifications, foreign characters, trademarks, and miscellaneous (TCA 47-25-517).

General Fund.....100% (TCA 8-22-118).

Department of Safety

**CLASSIFIED
DRIVER**

LICENSESFees received from 5-year drivers license: Class A (Commercial) - \$40; Classes B and C (Commercial) - \$35; Class D (Operator) - \$17.50; duplicate licenses - \$6 first duplication, \$10 for

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

second and subsequent duplications during a regular renewal cycle (TCA 55-50-323).

General Fund..... 100%.

FINES AND

PENALTIES.....All fines, fees, and forfeitures received from motor vehicle violations (TCA 55-7-206, 55-10-303, 55-12-129, and 55-50-604).

General Fund..... 100% (TCA 4-7-107).

MOTOR

CARRIERSAnnual fees for inspection, control, supervision and safety of motor carriers. A fee of 2.5% of vehicle registration fees paid by motor vehicles (TCA 55-4-113 and 65-15-116), and an \$8 annual fee per vehicle also is paid under the federal single state registration plan. Motor carriers and contract haulers must pay a \$50 application fee (TCA 65-15-109).

General Fund..... 100% (earmarked for Department of Safety) (TCA 55-4-113 and 65-15-116).

LITIGATION

PRIVILEGE TAX.....A portion of the privilege taxes on litigation, derived from a 25% share of 11.12% of the balance of litigation taxes which are not otherwise earmarked (TCA 67-4-602 and 67-4-606).

General Fund..... 100% (earmarked for driver education in public schools and for highway safety promotion) (TCA 67-4-606).

State Treasurer

INTEREST

EARNED.....Interest received on state funds deposited in commercial banks and credited on a daily basis (TCA 9-4-106).

General Fund..... 100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Education

LITIGATION

PRIVILEGE TAX.....A portion of the privilege taxes on litigation, based on the first \$2 derived from criminal cases and from a 75% share of 11.12% of the balance of litigation taxes which are not otherwise earmarked (TCA 67-4-602 and 67-4-606).

Education Fund 100% (earmarked for driver education in public schools) (TCA 67-4-602 and 67-4-606).

Department of Health

**HOTEL, B & B,
RESTAURANT,
SWIMMING
POOL, AND CAMP
INSPECTION**

Fees from annual permits. The rates are based on maximum occupancy of the hotel or restaurant; a flat fee of \$100 in FY 03 and \$140 in FY 04 is assessed for each bed and breakfast establishment; \$220 in FY 03 and \$340 in FY 04 for each public swimming pool; and a flat fee of \$70 in FY 03 and \$80 in FY 04 for day and primitive camps, a maximum fee of \$130 in FY 03 and \$150 in FY 04 for resident camps based on the number of sleepers, and a maximum fee of \$260 in FY 03 and \$310 in FY 04 for travel camps based on the number of sites; \$80 for school service establishments (TCA 68-14-312 through 68-14-316, 68-14-511, 68-14-512, and 68-110-103).

General Fund..... 100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

**TATTOO
PARLORS AND
ARTISTS**

.....Fees received from the issuance of certificates to operate a tattoo studio and from the issuance of licenses to engage in the practice of tattooing (TCA 62-38-202, 204, and 205).

General Fund..... 100%.

CHILD SAFETY.....Fines up to \$50 imposed for violations of the Child Passenger Restraint Law for children under 4 years of age; fines up to \$20 imposed for violation of mandatory use of passenger restraint system for children ages 4 through 15. (TCA 55-9-602 and 40-35-111).

General Fund.....For violations involving children under 4 years of age and children 4 through 15 years of age, 100% of the \$50 fine for any offense and 50% of the \$20 fine for a first offense (earmarked to child safety fund for formula distribution to participating hospitals for the purchase of child safety seats to lend or give to parents of newborns). The remaining 50% of the \$20 fine from a first offense is to be deposited without specific designated use. For second and subsequent violations, 100% of the \$20 fine is earmarked to the Child Safety Fund (55-9-602).

NURSING HOME

CIVIL PENALTIESFees from civil penalties assessed on nursing homes, based upon the type of violation (TCA 68-11-811).

General Fund..... 100% (earmarked for resident protection activities) (TCA 68-11-827).

**TRAUMATIC
BRAIN INJURY
FUND**

.....Fines and penalties levied for motor vehicle violations in addition to those fines and penalties levied in Title 55 Chapters 8, 10, and 50 for speeding, reckless driving, driving with an invalid license and driving under the

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

influence. (TCA 68-55-301 through 68-55-304).

General Fund.....100% (earmarked for the Traumatic Brain Injury Fund) (TCA 68-55-301 through 68-55-304).

Department of Environment and Conservation

**TENNESSEE
ENVIRONMENTAL
PROTECTION**

FUNDFees from environmental permits, inspections, damages, and fines (TCA Title 68, Chapter 131, Part 4, Chapter 201, Part 1; Chapter 202, Parts 2 and 5; Chapter 211, Part 1; Chapter 212, Part 1; and Chapter 221, Parts 4, 7, 9 and 10; and Title 69, Chapters 3 and 11).

General Fund.....100% (earmarked for the programs generating the fees) (TCA 68-203-101 and citations above).

**SOLID WASTE
MANAGEMENT**

FUNDFees from a surcharge on each ton of municipal solid waste received at all Class 1 solid waste disposal facilities or incinerators of \$.75 per ton through FY 2003-04. Also, the \$1 pre-disposal fee collected from retailers by the Department of Revenue for each new tire sold in Tennessee (TCA 68-211-835 and 67-4-1603).

General Fund.....100% (earmarked for the Solid Waste Assistance Program) (TCA 68-211-835).

**DRYCLEANER
ENVIRONMENTAL
RESPONSE FUND**

.....Various fees from drycleaning facilities, including annual site registration fees of up to \$1,500, annual wholesale distributor registration fees of \$5,500 per in-state facility, and drycleaning solvent surcharges of \$10 per gallon of non-aqueous solvent and \$1 per gallon of

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

light non-aqueous solvent purchased
by a drycleaner (TCA 68-217-105
through 68-217-106).

General Fund.....100% (earmarked for the Drycleaners
Environmental Response Program)
(TCA 68-217-103).

OIL AND GAS

REGULATION.....Application fees from oil and gas well
permits, natural gas well price
determinations, and mineral test hole
permits (TCA 60-1-103, 105, and
505).

General Fund.....100% (earmarked for administrative
expenses) (TCA 60-1-103, 105, and
505).

AUTOMOTIVE

OIL FEE.....Two cents per quart fee on the sale of
packaged automotive oil, less a
distributor handling deduction of 2%,
up to \$50 per report. This fee is
collected from the distributors by the
Department of Revenue (TCA 68-211-
1006 and 68-211-1010).

General Fund.....100% (earmarked for the Used Oil
Collection Program) (TCA 68-21-
1004 and 1005).

Nursing Home Tax

NURSING HOME

TAX.....Annual tax assessed at \$2,225 per
licensed nursing home bed excluding
those certified as ICF/MR beds (TCA
68-11-216(d)(1) through (12)).

General Fund.....100%.

**INTERMEDIATE
CARE FACILITIES
FOR THE
MENTALLY
RETARDED
(ICF/MR) GROSS**

RECEIPTS TAX.....A six percent (6%) monthly gross
receipts tax on revenue generated from
ICF/MR certified beds (TCA 68-11-
830(d)(2)(B)).

General Fund.....100% (TCA 68-11-830).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Transportation

RAILROADS.....Annual fees for inspection, control,
and supervision of the business,
service, and safety of railroads. Fees
figured at \$.04 per 1,000 ton miles.
Minimum fee, \$100 (TCA 65-3-201).
DOT collects these fees as
miscellaneous revenue.

Transportation Fund.....100% (earmarked for Department of
Transportation) (TCA 65-3-202).

Comparison Statement of State Revenues

**Actual and Estimated
July 1, 2001 – June 30, 2004**

Comparison Statement of State Revenues
Actual and Estimated July 1, 2001 - June 30, 2004

SOURCE OF REVENUE

| Department of Revenue | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 | Percent Required |
|---------------------------------------|------------------------|------------------------|------------------------|---------------------|
| Sales and Use Tax | \$4,645,724,300 | \$5,390,000,000 | \$5,578,600,000 | 3.50% |
| Gasoline Tax | 576,912,000 | 582,700,000 | 588,500,000 | 1.00% |
| Motor Fuel Tax | 151,188,900 | 157,200,000 | 165,100,000 | 5.03% |
| Gasoline Inspection Tax | 61,624,300 | 62,900,000 | 64,700,000 | 2.86% |
| Motor Vehicle Registration Tax | 219,607,200 | 236,000,000 | 245,400,000 | 3.98% |
| Income Tax | 141,710,200 | 140,000,000 | 145,600,000 | 4.00% |
| Privilege Tax | 177,389,600 | 208,000,000 | 216,500,000 | 4.09% |
| Gross Receipts Tax - TVA | 200,296,900 | 198,600,000 | 204,600,000 | 3.02% |
| Gross Receipts Tax - Other | 24,034,100 | 24,500,000 | 26,200,000 | 6.94% |
| Beer Tax | 15,347,400 | 17,500,000 | 17,800,000 | 1.71% |
| Alcoholic Beverage Tax | 30,032,300 | 34,100,000 | 34,800,000 | 2.05% |
| Franchise Tax | 428,590,100 | 347,000,000 | 350,500,000 | 1.01% |
| Excise Tax | 537,710,500 | 653,000,000 | 659,500,000 | 1.00% |
| Inheritance and Estate Tax | 104,480,700 | 95,000,000 | 95,000,000 | 0.00% |
| Tobacco Tax | 85,596,100 | 117,300,000 | 118,400,000 | 0.94% |
| Motor Vehicle Title Fees | 10,646,000 | 11,000,000 | 11,100,000 | 0.91% |
| Mixed Drink Tax | 35,860,800 | 37,500,000 | 39,400,000 | 5.07% |
| Business Tax | 21,115,000 | 91,400,000 | 92,000,000 | 0.66% |
| Severance Tax | 1,079,600 | 1,100,000 | 1,100,000 | 0.00% |
| Coin-operated Amusement Tax | 31,400 | 3,400,000 | 3,500,000 | 2.94% |
| Total Department of Revenue | \$7,468,977,400 | \$8,408,200,000 | \$8,658,300,000 | 2.97% |
| Other State Revenue | | | | |
| Department of Commerce and Insurance | \$309,410,800 | \$333,800,000 | \$353,800,000 | 5.99% |
| Department of Financial Institutions | 4,636,000 | 5,500,000 | 5,500,000 | 0.00% |
| Wildlife Resources Agency | 36,715,800 | 40,900,000 | 38,900,000 | -4.89% |
| Department of Agriculture | 18,706,900 | 20,900,000 | 21,400,000 | 2.39% |
| Regulatory Board Fees | 25,204,000 | 28,500,000 | 28,700,000 | 0.70% |
| Tennessee Regulatory Authority | 6,170,100 | 7,600,000 | 7,600,000 | 0.00% |
| Secretary of State | 15,216,000 | 14,000,000 | 14,000,000 | 0.00% |
| Department of Safety | 37,448,000 | 38,100,000 | 38,100,000 | 0.00% |
| State Treasurer | 33,733,500 | 12,500,000 | 10,000,000 | -20.00% |
| Department of Education | 1,694,800 | 1,700,000 | 1,700,000 | 0.00% |
| Department of Health | 8,402,600 | 8,500,000 | 9,300,000 | 9.41% |
| Dept. of Environment and Conservation | 49,359,400 | 59,400,000 | 60,000,000 | 1.01% |
| Miscellaneous Revenue | 29,707,100 | 18,500,000 | 18,500,000 | 0.00% |
| Nursing Home Tax | 100,976,000 | 102,500,000 | 102,500,000 | 0.00% |
| Total Other State Revenue | \$677,381,000 | \$692,400,000 | \$710,000,000 | 2.54% |
| Total State Revenue | \$8,146,358,400 | \$9,100,600,000 | \$9,368,300,000 | 2.94% |

**Distribution of Actual Revenue by Fund
Fiscal Year 2001-2002**

SOURCE OF REVENUE

| Department of Revenue | Total Revenue | General Fund | Education Fund | Highway Fund | Debt Service Fund | Cities & Counties |
|---------------------------------------|-------------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Sales and Use Tax | \$4,645,724,300 | \$1,290,519,500 | \$3,109,342,600 | \$0 | \$38,449,200 | \$207,413,000 |
| Gasoline Tax | 576,912,000 | 9,579,700 | 0 | 267,131,500 | 80,000,000 | 220,200,800 |
| Motor Fuel Tax | 151,188,900 | 2,866,500 | 0 | 108,676,000 | 0 | 39,646,400 |
| Gasoline Inspection Tax | 61,624,300 | 17,893,100 | 0 | 31,714,200 | 0 | 12,017,000 |
| Motor Vehicle Registration Tax | 219,607,200 | 36,185,200 | 222,600 | 183,199,400 | 0 | 0 |
| Income Tax | 141,710,200 | 92,821,800 | 0 | 0 | 0 | 48,888,400 |
| Privilege Tax | 177,389,600 | 177,389,600 | 0 | 0 | 0 | 0 |
| Gross Receipts Tax - TVA | 200,296,900 | 121,371,900 | 0 | 0 | 0 | 78,925,000 |
| Gross Receipts Tax - Other | 24,034,100 | 20,790,700 | 0 | 3,243,400 | 0 | 0 |
| Beer Tax | 15,347,400 | 10,264,500 | 0 | 1,931,100 | 0 | 3,151,800 |
| Alcoholic Beverage Tax | 30,032,300 | 24,864,400 | 0 | 0 | 0 | 5,167,900 |
| Franchise Tax | 428,590,100 | 410,590,100 | 0 | 0 | 18,000,000 | 0 |
| Excise Tax | 537,710,500 | 424,062,600 | 0 | 0 | 97,032,900 | 16,615,000 |
| Inheritance and Estate Tax | 104,480,700 | 104,480,700 | 0 | 0 | 0 | 0 |
| Tobacco Tax | 85,596,100 | 620,800 | 84,974,000 | 0 | 0 | 1,300 |
| Motor Vehicle Title Fees | 10,646,000 | 8,128,100 | 0 | 0 | 2,517,900 | 0 |
| Mixed Drink Tax | 35,860,800 | 1,171,500 | 17,345,200 | 0 | 0 | 17,344,100 |
| Business Tax | 21,115,000 | 21,115,000 | 0 | 0 | 0 | 0 |
| Severance Tax | 1,079,600 | 248,300 | 0 | 0 | 0 | 831,300 |
| Coin-operated Amusement Tax | 31,400 | 31,400 | 0 | 0 | 0 | 0 |
| Total Department of Revenue | \$7,468,977,400 | \$2,774,995,400 | \$3,211,884,400 | \$595,895,600 | \$236,000,000 | \$650,202,000 |
| Other State Revenue | | | | | | |
| Department of Commerce and Insurance | \$309,410,800 | \$309,410,800 | \$0 | \$0 | \$0 | \$0 |
| Department of Financial Institutions | 4,636,000 | 4,636,000 | 0 | 0 | 0 | 0 |
| Wildlife Resources Agency | 36,715,800 | 36,715,800 | 0 | 0 | 0 | 0 |
| Department of Agriculture | 18,706,900 | 18,706,900 | 0 | 0 | 0 | 0 |
| Regulatory Board Fees | 25,204,000 | 25,204,000 | 0 | 0 | 0 | 0 |
| Tennessee Regulatory Authority | 6,170,100 | 6,170,100 | 0 | 0 | 0 | 0 |
| Secretary of State | 15,216,000 | 15,216,000 | 0 | 0 | 0 | 0 |
| Department of Safety | 37,448,000 | 37,448,000 | 0 | 0 | 0 | 0 |
| State Treasurer | 33,733,500 | 33,733,500 | 0 | 0 | 0 | 0 |
| Department of Education | 1,694,800 | 0 | 1,694,800 | 0 | 0 | 0 |
| Department of Health | 8,402,600 | 8,402,600 | 0 | 0 | 0 | 0 |
| Dept. of Environment and Conservation | 49,359,400 | 49,359,400 | 0 | 0 | 0 | 0 |
| Miscellaneous Revenue | 29,707,100 | 29,707,100 | 0 | 0 | 0 | 0 |
| Nursing Home Tax | 100,976,000 | 100,976,000 | 0 | 0 | 0 | 0 |
| Total Other State Revenue | \$677,381,000 | \$675,686,200 | \$1,694,800 | \$0 | \$0 | \$0 |
| Total State Revenue | <u>\$8,146,358,400</u> | <u>\$3,450,681,600</u> | <u>\$3,213,579,200</u> | <u>\$595,895,600</u> | <u>\$236,000,000</u> | <u>\$650,202,000</u> |

**Distribution of Revised Estimated Revenue by Fund
Fiscal Year 2002-2003**

SOURCE OF REVENUE

| Department of Revenue | Total Revenue | General Fund | Education Fund | Highway Fund | Debt Service Fund | Cities & Counties |
|---------------------------------------|-------------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Sales and Use Tax | \$5,390,000,000 | \$1,980,500,000 | \$3,159,700,000 | \$0 | \$39,100,000 | \$210,700,000 |
| Gasoline Tax | 582,700,000 | 9,700,000 | 0 | 273,600,000 | 77,000,000 | 222,400,000 |
| Motor Fuel Tax | 157,200,000 | 2,900,000 | 0 | 113,000,000 | 0 | 41,300,000 |
| Gasoline Inspection Tax | 62,900,000 | 18,400,000 | 0 | 32,500,000 | 0 | 12,000,000 |
| Motor Vehicle Registration Tax | 236,000,000 | 45,900,000 | 200,000 | 189,900,000 | 0 | 0 |
| Income Tax | 140,000,000 | 91,700,000 | 0 | 0 | 0 | 48,300,000 |
| Privilege Tax | 208,000,000 | 208,000,000 | 0 | 0 | 0 | 0 |
| Gross Receipts Tax - TVA | 198,600,000 | 120,500,000 | 0 | 0 | 0 | 78,100,000 |
| Gross Receipts Tax - Other | 24,500,000 | 21,200,000 | 0 | 3,300,000 | 0 | 0 |
| Beer Tax | 17,500,000 | 12,200,000 | 0 | 2,100,000 | 0 | 3,200,000 |
| Alcoholic Beverage Tax | 34,100,000 | 28,800,000 | 0 | 0 | 0 | 5,300,000 |
| Franchise Tax | 347,000,000 | 329,000,000 | 0 | 0 | 18,000,000 | 0 |
| Excise Tax | 653,000,000 | 545,300,000 | 0 | 0 | 91,100,000 | 16,600,000 |
| Inheritance and Estate Tax | 95,000,000 | 95,000,000 | 0 | 0 | 0 | 0 |
| Tobacco Tax | 117,300,000 | 700,000 | 116,600,000 | 0 | 0 | 0 |
| Motor Vehicle Title Fees | 11,000,000 | 8,300,000 | 0 | 0 | 2,700,000 | 0 |
| Mixed Drink Tax | 37,500,000 | 1,300,000 | 18,100,000 | 0 | 0 | 18,100,000 |
| Business Tax | 91,400,000 | 91,400,000 | 0 | 0 | 0 | 0 |
| Severance Tax | 1,100,000 | 300,000 | 0 | 0 | 0 | 800,000 |
| Coin-operated Amusement Tax | 3,400,000 | 3,400,000 | 0 | 0 | 0 | 0 |
| Total Department of Revenue | \$8,408,200,000 | \$3,614,500,000 | \$3,294,600,000 | \$614,400,000 | \$227,900,000 | \$656,800,000 |
| Other State Revenue | | | | | | |
| Department of Commerce and Insurance | \$333,800,000 | \$333,800,000 | \$0 | \$0 | \$0 | \$0 |
| Department of Financial Institutions | 5,500,000 | 5,500,000 | 0 | 0 | 0 | 0 |
| Wildlife Resources Agency | 40,900,000 | 40,900,000 | 0 | 0 | 0 | 0 |
| Department of Agriculture | 20,900,000 | 20,900,000 | 0 | 0 | 0 | 0 |
| Regulatory Board Fees | 28,500,000 | 28,500,000 | 0 | 0 | 0 | 0 |
| Tennessee Regulatory Authority | 7,600,000 | 7,600,000 | 0 | 0 | 0 | 0 |
| Secretary of State | 14,000,000 | 14,000,000 | 0 | 0 | 0 | 0 |
| Department of Safety | 38,100,000 | 38,100,000 | 0 | 0 | 0 | 0 |
| State Treasurer | 12,500,000 | 12,500,000 | 0 | 0 | 0 | 0 |
| Department of Education | 1,700,000 | 0 | 1,700,000 | 0 | 0 | 0 |
| Department of Health | 8,500,000 | 8,500,000 | 0 | 0 | 0 | 0 |
| Dept. of Environment and Conservation | 59,400,000 | 59,400,000 | 0 | 0 | 0 | 0 |
| Miscellaneous Revenue | 18,500,000 | 18,500,000 | 0 | 0 | 0 | 0 |
| Nursing Home Tax | 102,500,000 | 102,500,000 | 0 | 0 | 0 | 0 |
| Total Other State Revenue | \$692,400,000 | \$690,700,000 | \$1,700,000 | \$0 | \$0 | \$0 |
| Total State Revenue | <u>\$9,100,600,000</u> | <u>\$4,305,200,000</u> | <u>\$3,296,300,000</u> | <u>\$614,400,000</u> | <u>\$227,900,000</u> | <u>\$656,800,000</u> |

**Distribution of Estimated Revenue by Fund
Fiscal Year 2003-2004**

SOURCE OF REVENUE

| Department of Revenue | Total Revenue | General Fund | Education Fund | Highway Fund | Debt Service Fund | Cities & Counties |
|---------------------------------------|-------------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Sales and Use Tax | \$5,578,600,000 | \$2,049,700,000 | \$3,270,300,000 | \$0 | \$40,500,000 | \$218,100,000 |
| Gasoline Tax | 588,500,000 | 9,800,000 | 0 | 280,100,000 | 74,000,000 | 224,600,000 |
| Motor Fuel Tax | 165,100,000 | 3,200,000 | 0 | 118,600,000 | 0 | 43,300,000 |
| Gasoline Inspection Tax | 64,700,000 | 19,000,000 | 0 | 33,700,000 | 0 | 12,000,000 |
| Motor Vehicle Registration Tax | 245,400,000 | 47,700,000 | 200,000 | 197,500,000 | 0 | 0 |
| Income Tax | 145,600,000 | 95,400,000 | 0 | 0 | 0 | 50,200,000 |
| Privilege Tax | 216,500,000 | 216,500,000 | 0 | 0 | 0 | 0 |
| Gross Receipts Tax - TVA | 204,600,000 | 123,500,000 | 0 | 0 | 0 | 81,100,000 |
| Gross Receipts Tax - Other | 26,200,000 | 22,700,000 | 0 | 3,500,000 | 0 | 0 |
| Beer Tax | 17,800,000 | 12,500,000 | 0 | 2,100,000 | 0 | 3,200,000 |
| Alcoholic Beverage Tax | 34,800,000 | 29,400,000 | 0 | 0 | 0 | 5,400,000 |
| Franchise Tax | 350,500,000 | 332,500,000 | 0 | 0 | 18,000,000 | 0 |
| Excise Tax | 659,500,000 | 552,200,000 | 0 | 0 | 90,700,000 | 16,600,000 |
| Inheritance and Estate Tax | 95,000,000 | 95,000,000 | 0 | 0 | 0 | 0 |
| Tobacco Tax | 118,400,000 | 700,000 | 117,700,000 | 0 | 0 | 0 |
| Motor Vehicle Title Fees | 11,100,000 | 8,400,000 | 0 | 0 | 2,700,000 | 0 |
| Mixed Drink Tax | 39,400,000 | 1,400,000 | 19,000,000 | 0 | 0 | 19,000,000 |
| Business Tax | 92,000,000 | 92,000,000 | 0 | 0 | 0 | 0 |
| Severance Tax | 1,100,000 | 300,000 | 0 | 0 | 0 | 800,000 |
| Coin-operated Amusement Tax | 3,500,000 | 3,500,000 | 0 | 0 | 0 | 0 |
| Total Department of Revenue | \$8,658,300,000 | \$3,715,400,000 | \$3,407,200,000 | \$635,500,000 | \$225,900,000 | \$674,300,000 |
| Other State Revenue | | | | | | |
| Department of Commerce and Insurance | \$353,800,000 | \$353,800,000 | \$0 | \$0 | \$0 | \$0 |
| Department of Financial Institutions | 5,500,000 | 5,500,000 | 0 | 0 | 0 | 0 |
| Wildlife Resources Agency | 38,900,000 | 38,900,000 | 0 | 0 | 0 | 0 |
| Department of Agriculture | 21,400,000 | 21,400,000 | 0 | 0 | 0 | 0 |
| Regulatory Board Fees | 28,700,000 | 28,700,000 | 0 | 0 | 0 | 0 |
| Tennessee Regulatory Authority | 7,600,000 | 7,600,000 | 0 | 0 | 0 | 0 |
| Secretary of State | 14,000,000 | 14,000,000 | 0 | 0 | 0 | 0 |
| Department of Safety | 38,100,000 | 38,100,000 | 0 | 0 | 0 | 0 |
| State Treasurer | 10,000,000 | 10,000,000 | 0 | 0 | 0 | 0 |
| Department of Education | 1,700,000 | 0 | 1,700,000 | 0 | 0 | 0 |
| Department of Health | 9,300,000 | 9,300,000 | 0 | 0 | 0 | 0 |
| Dept. of Environment and Conservation | 60,000,000 | 60,000,000 | 0 | 0 | 0 | 0 |
| Miscellaneous Revenue | 18,500,000 | 18,500,000 | 0 | 0 | 0 | 0 |
| Nursing Home Tax | 102,500,000 | 102,500,000 | 0 | 0 | 0 | 0 |
| Total Other State Revenue | \$710,000,000 | \$708,300,000 | \$1,700,000 | \$0 | \$0 | \$0 |
| Total State Revenue | <u>\$9,368,300,000</u> | <u>\$4,423,700,000</u> | <u>\$3,408,900,000</u> | <u>\$635,500,000</u> | <u>\$225,900,000</u> | <u>\$674,300,000</u> |

Comparative Statement of Revenues of Regulatory Boards
Actual and Estimated July 1, 2001 - June 30, 2004
To Support Statement of State Revenues

| SOURCE OF REVENUE | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|---------------------|------------------------|------------------------|
| State Board of Accountancy | \$778,800 | \$794,000 | \$809,900 |
| State Board of Examiners for Architects & Engineers | 1,235,900 | 1,285,800 | 1,311,500 |
| Advisory Board on Professional Boxing and Racing | 3,400 | 4,100 | 4,800 |
| Athletic Commission | 36,300 | 37,100 | 37,900 |
| Tennessee Auctioneer Commission | 262,900 | 267,900 | 273,200 |
| Board of Barber Examiners | 296,500 | 302,400 | 308,500 |
| Tennessee Collection Service Board | 233,000 | 237,300 | 242,000 |
| Licensing Contractors, Home Improvement & Interior Designers | 2,399,200 | 2,424,300 | 2,475,100 |
| State Board of Cosmetology | 1,151,700 | 1,174,700 | 1,198,200 |
| Board of Funeral Directors and Embalmers | 353,200 | 360,300 | 367,500 |
| Board of Examiners for Land Surveyors | 170,700 | 174,100 | 177,600 |
| Board of Alarm Contractors | 350,800 | 357,800 | 365,700 |
| Private Investigators Licensing and Regulation | 218,900 | 223,300 | 227,700 |
| Private Protective Services Licensing & Regulation | 938,900 | 957,700 | 976,800 |
| Board of Polygraph Examiners | 23,100 | 23,600 | 24,000 |
| Real Estate Appraiser Commission | 587,800 | 599,600 | 611,600 |
| Registration of Geologists | 81,500 | 83,100 | 84,800 |
| Tennessee Real Estate Commission | 1,518,800 | 1,548,400 | 1,579,300 |
| Board of Pharmacy | 1,015,900 | 1,036,200 | 1,056,900 |
| Tennessee Motor Vehicle Commission | 1,301,600 | 1,327,600 | 1,354,200 |
| Employee Leasing | 63,600 | 64,900 | 66,200 |
| Reserves | 0 | 1,217,500 | 519,200 |
| Sub-Total: Commerce and Insurance | \$13,022,500 | \$14,501,700 | \$14,072,600 |
| Board of Chiropractic Examiners | \$118,500 | \$175,000 | \$180,000 |
| Board of Dentistry | 578,100 | 670,800 | 530,500 |
| Board of Dietitian / Nutritionist Examiners | 52,100 | 53,200 | 54,100 |
| Board of Dispensing Opticians | 95,200 | 95,700 | 96,100 |
| State Board of Electrolysis Examiners | 8,900 | 9,200 | 19,100 |
| Council for Licensing Hearing Instrument Specialists | 26,600 | 26,800 | 29,000 |
| Board of Social Worker Certification and Licensure | 108,200 | 153,100 | 155,100 |
| Board of Medical Examiners | 1,582,800 | 1,627,800 | 1,688,700 |
| Tennessee Medical Laboratory Board | 612,600 | 664,800 | 669,200 |
| Board of Nursing | 3,390,000 | 3,641,700 | 3,650,500 |
| Board of Examiners for Nursing Home Administrators | 82,800 | 83,300 | 83,900 |
| Board of Occupational and Physical Therapy Examiners | 495,400 | 496,100 | 377,000 |
| State Board of Athletic Trainers | 17,500 | 21,100 | 25,100 |
| Board of Respiratory Care | 137,800 | 141,100 | 143,200 |
| State Board of Optometry | 128,300 | 129,500 | 131,100 |
| Board of Osteopathic Examination | 72,100 | 81,100 | 94,500 |
| Board of Registration for Podiatry | 37,000 | 42,500 | 47,500 |
| Board of Cert. for Prof. Counselors, and Marital and Family Therapists | 110,300 | 129,700 | 143,300 |
| Board of Examiners in Psychology | 234,900 | 294,000 | 305,900 |
| Board for Communication Disorders and Sciences | 81,400 | 83,100 | 84,900 |
| Committee on Physician Assistants | 84,700 | 87,200 | 89,100 |
| Massage Licensure Board | 380,600 | 241,100 | 225,600 |
| Board of Veterinary Medical Examiners | 232,500 | 240,400 | 385,000 |
| Alcohol and Drug Abuse Counselors | 58,600 | 62,900 | 63,300 |
| Board of Midwifery | 9,000 | 9,000 | 4,500 |
| Board of Acupuncture | 0 | 5,000 | 5,000 |
| Board of Clinical Perfusionists | 0 | 30,000 | 14,000 |
| Reserves | 0 | 0 | 583,200 |
| Sub-Total: Health | \$8,735,900 | \$9,295,200 | \$9,878,400 |
| State Regulatory Fee | \$1,941,700 | \$1,941,700 | \$1,941,700 |
| State Board of Law Examiners | 605,000 | 582,600 | 582,600 |
| Health Services Development Agency | 898,900 | 1,257,400 | 1,257,400 |
| Health Allocated Expenses | 0 | 921,400 | 967,300 |
| Total Regulatory Boards | \$25,204,000 | \$28,500,000 | \$28,700,000 |

Tax Expenditures

Recommended Budget, Fiscal Year 2003-2004

Tennessee Code Annotated 9-4-5115 requires the Department of Finance and Administration to report annually to the Finance, Ways and Means Committees of the House and the Senate on two areas of government finance: 1) tax exemptions; and 2) vendor compensation for the collection of the sales tax. This section of the Budget Document is intended to fulfill that statutory obligation.

Under the law, the tax expenditure report is required to "...identify all exemptions, to the extent that it is practical, and estimate the amount of revenue which would have been collected by the state in the fiscal year commencing on July 1 next succeeding such report had each exemption not existed." The report on vendor compensation is required to show the amount paid to vendors for the collection of the sales tax. No format or reporting period is specified. Both reports are to be made no later than February 1 of each year.

Vendors compensation for collection of the sales tax was repealed, effective July 1, 2000, by Public Acts of 2000, chapter 983. Thus, no report is made on vendors compensation.

Tax Exemptions

It is not possible to estimate the amount of revenue lost for each of the tax exemptions found in the Tennessee code. For example, since 1947, the list of non-profit institutions that are exempt from the sales tax has grown dramatically. Such institutions are allowed to

buy tangible goods and certain services tax free. Retailers and sellers require proof of exemption and keep records of exempt sales; but tax returns filed with the Department of Revenue do not show detailed statistics on exempt sales by type of exempt entity. Such data is only available in the records of the thousands of individual retailers and vendors who sell directly to the public. Therefore, the tax exemptions listed in the present report consist only of those that can be estimated with a reasonable degree of accuracy.

The fiscal impact of Tennessee's major tax exemptions is presented in tabular form in Tables 1-A and 1-B. Estimates of revenue loss are provided for FY 2003-2004. Table 1-A presents revenue foregone on services not currently taxed. These services represent activities that were not included in the original tax base. Table 1-B presents revenue foregone due to specific exemptions in the existing sales tax law. For each item in this table, the exemption is briefly described and the specific authorization of the Tennessee code is cited.

It is difficult to estimate the true cost of tax exemptions for two reasons. First, each exemption is considered separately, without regard to how it overlaps with other provisions of the tax code. Summing tax exemptions may result in double-counting in cases where exemptions overlap. Secondly, the estimates of revenue loss provided in the tables do not generally take into account the impact of a change in a particular tax provision on taxpayer behavior which impacts other taxes (the estimates do not reflect secondary or feedback effects).

Major Tax Exemptions from the Sales and Use Tax
Currently Untaxed Services: Table 1-A

| <u>Service/Product Area Exempted</u> | <u>FY2003-2004 Estimated Loss</u> | |
|--|-----------------------------------|------------------------|
| | <u>State</u> | <u>Local*</u> |
| Administrative & Support Services | \$246,800,000 | \$84,500,000 |
| Collection Agencies & Credit Bureaus | 20,000,000 | 6,900,000 |
| Employment Services | 135,700,000 | 46,500,000 |
| Investigation & Security Services | 27,600,000 | 9,400,000 |
| Mail, Document Reproduction, & Call Centers | 14,700,000 | 5,000,000 |
| Services to Buildings & Dwellings | 48,800,000 | 16,700,000 |
| Construction Services | \$603,000,000 | \$206,700,000 |
| Building, Developing, & General Contracting | 209,100,000 | 71,700,000 |
| Heavy Construction | 53,700,000 | 18,400,000 |
| Special Trade Contractors | 340,200,000 | 116,600,000 |
| Educational Services | \$14,400,000 | \$4,900,000 |
| Educational Services (for-profit) | 12,500,000 | 4,300,000 |
| Educational Services (non-profit) | 1,900,000 | 600,000 |
| Finance, Insurance, & Real Estate | \$194,800,000 | \$66,800,000 |
| Investment Banking, Securities Brokerage, & Related Services | 68,500,000 | 23,500,000 |
| Insurance Agents & Related Services | 50,700,000 | 17,400,000 |
| Real Estate Agents & Brokers | 75,600,000 | 25,900,000 |
| Health Care & Social Services (For-profit) | \$604,000,000 | \$207,200,000 |
| Physicians & Dentists | 318,200,000 | 109,100,000 |
| Other Health Practitioners | 39,100,000 | 13,400,000 |
| Hospitals | 83,600,000 | 28,700,000 |
| Nursing & Residential Care Facilities | 95,000,000 | 32,600,000 |
| Outpatient Care Centers | 24,600,000 | 8,400,000 |
| Medical and Diagnostic Laboratories | 17,700,000 | 6,100,000 |
| Other Selected Health Services | 7,700,000 | 2,700,000 |
| Social & Community Services | 18,100,000 | 6,200,000 |
| Health Care & Social Services (Non-profit) | \$362,900,000 | \$124,500,000 |
| Hospitals | 303,200,000 | 103,900,000 |
| Nursing & Residential Care Facilities | 18,800,000 | 6,500,000 |
| Outpatient Care Centers | 20,600,000 | 7,100,000 |
| Other Selected Health Services | 4,000,000 | 1,400,000 |
| Social & Community Services | 16,300,000 | 5,600,000 |
| Information Services | \$50,000,000 | \$17,200,000 |
| Data Processing Services | 12,600,000 | 4,300,000 |
| Movie Production & Sound Recording Studios | 8,300,000 | 2,900,000 |
| Cable T.V. Subscriptions (exempt amt.) | 14,200,000 | 4,900,000 |
| Newspaper Subscriptions & Sales | 14,900,000 | 5,100,000 |
| Media Advertising Sales | \$133,600,000 | \$45,800,000 |
| Newspaper Advertising | 39,600,000 | 13,600,000 |
| Radio Advertising | 20,500,000 | 7,000,000 |
| Television Advertising (Broadcast & Cable) | 73,500,000 | 25,200,000 |
| Personal Services | \$69,100,000 | \$23,700,000 |
| Coin-operated Laundry | 2,600,000 | 900,000 |
| Death Care Services | 14,400,000 | 4,900,000 |
| Diet & Weight Loss | 2,000,000 | 700,000 |
| Hair, Nail, & Skin Care Services | 28,700,000 | 9,900,000 |
| Non-Profit Amusement & Membership Organizations | 21,400,000 | 7,300,000 |
| Professional & Technical Services | \$488,900,000 | \$167,600,000 |
| Accounting, Tax Return Prep., & Payroll | 62,600,000 | 21,500,000 |
| Advertising & Public Relations | 30,500,000 | 10,400,000 |
| Architectural Services | 20,200,000 | 6,900,000 |
| Engineering Services | 82,700,000 | 28,400,000 |
| All Other Architectural, Engineering, & Related Services | 10,700,000 | 3,700,000 |
| Specialized Design Services | 14,500,000 | 5,000,000 |
| Computer Systems Design & Related Services | 44,200,000 | 15,100,000 |
| Legal Services (profit & non-profit) | 117,000,000 | 40,100,000 |
| Management, Scientific, & Technical Consulting | 86,300,000 | 29,600,000 |
| Scientific Research & Development (profit & non-profit) | 20,200,000 | 6,900,000 |
| Transportation Services | \$150,500,000 | \$51,700,000 |
| Couriers & Messengers | 75,400,000 | 25,900,000 |
| Truck Transportation (Local) | 56,400,000 | 19,400,000 |
| Other Transportation | 18,700,000 | 6,400,000 |
| Total Revenue Loss | \$2,918,000,000 | \$1,000,600,000 |

*Local revenue loss calculated based on an average local sales tax rate of 2.40%.

Source: Tennessee Department of Revenue

**Major Tax Exemptions
From Current Tax Base: Table 1-B**

| Tennessee Code Annotated | Tax Source and Description of the Exemption | FY 2003-2004 Estimated Loss | |
|-----------------------------|---|-----------------------------|----------------------|
| | | State | Local |
| | Sales and Use Tax | \$1,737,806,000 | \$541,458,000 |
| 67-6-329(a)(1) | Gasoline | 301,800,000 | 103,474,000 |
| 67-6-329(a)(2) | Motor vehicle fuel (diesel fuel) | 82,400,000 | 28,251,000 |
| 67-6-329(a)(1) | Gasoline/diesel fuel for agriculture | 7,085,000 | 2,429,000 |
| 67-6-334 | Energy fuels sold for residential use | 219,300,000 | 75,189,000 |
| 67-6-206(b)(1) | Energy and water sales to manufacturers (reduced rate) | 136,400,000 | 59,520,000 |
| 67-6-206(b)(3)(4) | Energy and water sales to manuf. for direct processing | 49,700,000 | 16,600,000 |
| 67-6-217 | Aviation fuel (reduced rate) | 8,076,000 | 7,753,000 |
| 67-6-312, 320 | Prescription drugs, insulin, and syringes | 234,270,000 | 80,321,000 |
| 67-6-319 | Prescription drug samples | 11,034,000 | 3,783,000 |
| 67-6-206(a) | Industrial machinery and equipment | 137,937,000 | 15,591,000 |
| 67-6-207 | Farm machinery and equipment | 18,749,000 | 2,120,000 |
| 67-6-102(24)(E)(ii) | Packaging sold for resale or use | 90,203,000 | 28,981,000 |
| 67-6-228 | Food sales (reduced rate) | 75,239,000 | 0 |
| 67-6-329(a)(12) | School books and lunches | 17,704,000 | 6,070,000 |
| 67-6-316 | Prescription eyewear and optical goods | 16,052,000 | 5,504,000 |
| 67-6-329(a)(21) | Newspaper (periodical) sales | 15,450,000 | 5,297,000 |
| 67-6-212(5) | Cable television (exempt portion) | 14,815,000 | 5,080,000 |
| 67-6-216 | Non-material cost of manufactured homes (reduced rate) | 12,522,000 | 296,000 |
| 67-6-336 | Used factory-manufactured structures | 3,578,000 | 80,000 |
| 67-6-330(a)(4),(6) | Membership dues of civic organizations & business assoc. | 10,220,000 | 3,504,000 |
| 67-6-530 | Motion picture production | 8,331,000 | 2,856,000 |
| 67-6-313(g), 321 | Railroad rolling stock, materials, and repairs | 7,879,000 | 1,751,000 |
| 67-6-219 | Sales To Common Carriers (reduced rate) | 6,073,000 | 1,682,000 |
| 67-6-329(a)(3-10), (17) | Fertilizers, pesticides, seeds, and related items to nurseries | 4,259,000 | 1,460,000 |
| 67-6-303 | Motor vehicles sold to non-resident military personnel | 4,229,000 | 389,000 |
| 67-6-309(a) | Film and transcription rentals | 3,471,000 | 1,190,000 |
| 67-6-329(a)(16) | Magazines and books--printers' nexus | 3,089,000 | 1,059,000 |
| 67-6-330(a)(19) | Physical fitness facility fees | 2,757,000 | 945,000 |
| 67-6-102 (13)(H)(i) | Certain warehouse equipment | 2,184,000 | 397,000 |
| | All other remaining exemptions | 233,000,000 | 79,886,000 |
| | Corporate Franchise and Excise Tax | \$72,983,000 | \$0 |
| 67-4-2109 | Jobs credit (Fran. & Exc.) | 18,400,000 | NA |
| 56-4-217, 67-4-2009, 2109 | Insurance comps. phaseout less premium credit (Fran. & Exc.) | 15,000,000 | NA |
| 67-4-2009 | Industrial machinery credit (Excise) | 12,000,000 | NA |
| 67-4-2009, 2112 | Hospital company tax credit (Fran. & Exc.) | 9,000,000 | NA |
| 67-4-2108 | Cap on value of inventories (Franchise) | 11,000,000 | NA |
| 67-4-2012, 2111 | Double-weighted sales factor (Fran. & Exc.) | 7,583,000 | NA |
| | Motor Vehicle Registration Fees | \$4,940,000 | \$0 |
| 55-4-223 | Government vehicles | 1,145,000 | NA |
| 55-4-228(c)(1) | Enlisted members of the Tennessee National Guard | 179,000 | NA |
| 55-4-235, 236, 237 | Former POWS, medal of honor recipients, and disabled veterans | 204,000 | NA |
| 55-4-113(7) | Special Zone Tags - Class 1 | 1,051,000 | NA |
| 55-4-113(7), 124 | Special Zone Tags - Class 2 | 1,938,000 | NA |
| 55-21-103(a)(l) | Handicapped person fee | 50,000 | NA |
| 55-21-103(b)(2)(a)(c) | Handicapped person placards | 373,000 | NA |
| | Gross Receipts Taxes | \$272,600,000 | \$0 |
| 67-4-405(b) | Gas, Water, and Electric Companies - Gov't operations exempt | 267,000,000 | NA |
| 67-4-405(d) | Gas, Water, and Electric Companies -Franchise and excise tax credit | 3,700,000 | NA |
| 67-4-405(f) | Gas, Water, and Electric Companies - \$5,000 exemption | 100,000 | NA |
| 67-4-402 | Bottlers - Franchise and excise tax credit | 1,500,000 | NA |
| 67-4-506(a), 402(d) | Vending Machines Sales - Franchise and excise tax credit | 300,000 | NA |
| | Miscellaneous Taxes | \$147,400,000 | \$0 |
| 67-8-315(a)(6) | Standard Deduction on the inheritance and gift tax | 78,600,000 | NA |
| 67-8-316(a) | Marital Deduction on the inheritance and gift tax | 54,000,000 | NA |
| 67-2-104(a) | Standard Exemption on the income tax | 14,100,000 | NA |
| 67-4-409(b)(4) | Mortgage Tax - \$2,000 exemption | 700,000 | NA |
| | Total Revenue Loss | \$2,235,729,000 | \$541,458,000 |

Source: Tennessee Departments of Revenue and Safety

Financial Statements

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**General Fund
Comparative Balance Sheet
June 30, 2001, and June 30, 2002**

| Assets | <u>June 30, 2001</u> | <u>June 30, 2002</u> |
|---|-------------------------------|-------------------------------|
| Cash and Cash Equivalents | \$616,034,000 | \$230,043,000 |
| Receivables, net | 739,728,000 | 954,258,000 |
| Due from Other Funds | 254,265,000 | 229,691,000 |
| Due from Component Units | 2,978,000 | 39,492,000 |
| Inventories | 0 | 15,462,000 |
| Prepayments | 70,000 | 254,000 |
| Loans Receivable, net | <u>0</u> | <u>280,000</u> |
| Total Assets | <u>\$1,613,075,000</u> | <u>\$1,469,480,000</u> |
| Liabilities and Fund Balance | | |
| Liabilities: | | |
| Accounts Payable and Accruals | \$397,898,000 | \$543,761,000 |
| Due to Other Funds | 15,289,000 | 12,283,000 |
| Due to Component Units | 5,726,000 | 8,682,000 |
| Deferred Revenue | 197,995,000 | 273,088,000 |
| Other | <u>87,000</u> | <u>125,000</u> |
| Total Liabilities | <u>\$616,995,000</u> | <u>\$837,939,000</u> |
| Fund Balance: | | |
| Reserved for Related Assets | \$30,620,000 | \$18,384,000 |
| Reserved for Encumbrances and Contracts | 8,477,000 | 6,426,000 |
| Reserved for Continuing Appropriations | 333,108,000 | 276,575,000 |
| Reserved for Federal Contingent Liability | 100,000,000 | 50,000,000 |
| Reserved for Other Specific Purposes | 61,911,000 | 84,215,000 |
| Unreserved: | | |
| Designated for Revenue Fluctuations | 178,000,000 | 178,000,000 |
| Designated for Future Requirements | 31,200,000 | 11,300,000 |
| Designated for Future Appropriations | 243,776,000 | 0 |
| Designated for Other Specific Purposes | 8,863,000 | 6,488,000 |
| Undesignated | <u>125,000</u> | <u>153,000</u> |
| Total Fund Balance | <u>\$996,080,000</u> | <u>\$631,541,000</u> |
| Total Liabilities and Fund Balance | <u>\$1,613,075,000</u> | <u>\$1,469,480,000</u> |

Education Fund
Comparative Balance Sheet
June 30, 2001, and June 30, 2002

| | June 30, 2001 | June 30, 2002 |
|---|----------------------|----------------------|
| Assets | | |
| Cash and Cash Equivalents | \$10,000 | \$10,000 |
| Receivables, net | 347,586,000 | 408,928,000 |
| Due from Other Funds | 6,496,000 | 3,156,000 |
| Due from Component Units | 0 | 349,000 |
| Total Assets | \$354,092,000 | \$412,443,000 |
| Liabilities and Fund Balance | | |
| Liabilities: | | |
| Accounts Payable and Accruals | \$84,593,000 | \$103,757,000 |
| Due to Other Funds | 244,537,000 | 211,814,000 |
| Deferred Revenue | 1,929,000 | 55,166,000 |
| Total Liabilities | \$331,059,000 | \$370,737,000 |
| Fund Balance: | | |
| Reserved for Encumbrances and Contracts | \$1,077,000 | \$548,000 |
| Reserved for Continuing Appropriations | 21,465,000 | 40,559,000 |
| Reserved for Other Specific Purposes | 491,000 | 599,000 |
| Total Fund Balance | \$23,033,000 | \$41,706,000 |
| Total Liabilities and Fund Balance | \$354,092,000 | \$412,443,000 |

**Highway Fund
Comparative Balance Sheet
June 30, 2001, and June 30, 2002**

| | June 30, 2001 | June 30, 2002 |
|---|----------------------|----------------------|
| Assets | | |
| Cash and Cash Equivalents | \$239,827,000 | \$193,391,000 |
| Receivables, net | 131,580,000 | 139,113,000 |
| Due from Other Funds | 8,000 | 8,000 |
| Inventories, at cost | 6,468,000 | 6,567,000 |
| Deferred Charges and Other | 0 | 2,688,000 |
| Loans Receivable, net | 0 | 2,563,000 |
| | | |
| Total Assets | \$377,883,000 | \$344,330,000 |
| Liabilities and Fund Balance | | |
| Liabilities: | | |
| Accounts Payable and Accruals | \$53,793,000 | \$71,327,000 |
| Due to Other Funds | 1,138,000 | 1,255,000 |
| Deferred Revenue | 8,050,000 | 8,320,000 |
| Other | 1,389,000 | 4,176,000 |
| Total Liabilities | \$64,370,000 | \$85,078,000 |
| Fund Balances: | | |
| Reserved for Related Assets | \$6,468,000 | \$6,567,000 |
| Reserved for Encumbrances and Contracts | 175,461,000 | 137,800,000 |
| Reserved for Other Specific Purposes | 131,584,000 | 114,835,000 |
| Unreserved: Designated for Highway Construction | 103,000 | 50,000 |
| Total Fund Balance | \$313,616,000 | \$259,252,000 |
| Total Liabilities and Fund Balance | \$377,986,000 | \$344,330,000 |

Debt Management

Recommended Budget, Fiscal Year 2003-2004

The State Funding Board is empowered as the sole governing body over the issuance of general obligation debt for Tennessee. It was created by the 45th General Assembly through passage of Public Chapter 126, Public Acts of 1887, codified as Title 9, Chapter 9, Section 101 of the Tennessee Code. By statute, the state's full faith and credit, as well as specific tax revenues are pledged for the payment of principal and interest on state bonds. Additionally, the law covenants that such pledged revenues shall not be less than 150 percent of the amount necessary to service the state's outstanding debt and any debt proposed to be issued. Adequate safeguards are therefore embodied in law against the issuance of excessive debt, and the state's current and future debt service requirements are well below the established legal limits.

Over the years, Tennessee has consistently maintained a relatively low debt burden. This has been accomplished through the use of sound, prudent, and conservative debt management practices adopted by the executive and legislative branches of government, with concurrence of the State Funding Board. Such practices include funding of the state's capital program with surplus cash, cancellation of bond authorizations in lieu of issuing debt, creating and maintaining an adequate "Rainy Day Fund" to offset unanticipated revenue shortfalls, and the adoption of state statutes to control the issuance of excessive debt.

This consistent and conservative approach to the management of our debt earned the state triple bond ratings from the nation's leading credit rating agencies. However, our inability to solve the structural deficit that exists in the state's tax system and the continuing use of non-recurring funds to fund recurring expenses caused the three rating agencies to downgrade the state's bond ratings in 2001. As of July 19, 2002, the ratings on the state's general obligation debt are: Fitch AA for long term debt; Standard and Poor's Corporation (S&P) AA with a negative outlook for long term debt and A-1+ for Commercial Paper; and Moody's Investor Service Aa2

negative outlook and P-1 for Commercial Paper.

The state still enjoys a low debt burden, and access to the capital markets remains strong. However, the end result of lower credit ratings will be higher interest rates and increased debt service expense as the state issues future debt in order to fund its capital needs.

During fiscal year 2001-2002 the state sold \$164 million in general obligation bonds. At least one additional general obligation bond sale is anticipated prior to the close of this fiscal period. As of June 30, 2002, Tennessee's total general obligation bonded indebtedness was \$969,660,000 excluding the Facilities Revolving Fund. This debt was issued entirely for institutional and building construction.

The second session of the 102nd General Assembly approved new authorizations in the amount of \$127,265,000. Of this amount, institutional and building bonds accounted for \$35.6 million, the Facilities Revolving Fund \$3.1 million, and highway bonds \$77.0 million.

The practice of using the state's cash flow to finance road projects in lieu of issuing debt has been one of the key factors in Tennessee's ability to secure and retain very high bond ratings. Consistent with this long-standing policy, the Funding Board, within the last 12 months has cancelled \$77.0 million in highway bond authorizations and \$7.6 million in institutional and building construction bonds.

The increase in bond authorization coupled with the Funding Board's action on bond cancellations reduced the category of authorized but unissued bonds to \$1,133,717,000, which includes \$641,500,000 million in highway authorizations, \$332,822,000 in capital construction bonds, and \$93,511,600 in Facility Revolving Fund bonds.

The 2003-2004 proposed budget recommends the authorization of an additional \$74 million in highway construction bonds, \$44 million in institutional and building bonds, and \$6.6 million in federal funds to finance capital projects.

Debt Service Fund
Statement of Revenues, Expenditures, and Requirements
July 1, 2001 - June 30, 2004

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Estimated 2003-2004</u> |
|--|-----------------------------|--------------------------------|--------------------------------|
| Unreserved Fund Balance, July 1 | \$3,407,000 | \$4,527,000 | \$816,000 |
| Tax Revenues: | | | |
| Sales Tax | 38,449,000 | 39,100,000 | 40,500,000 |
| Gasoline Tax | \$80,000,000 | \$77,000,000 | \$74,000,000 |
| Franchise Tax | 18,000,000 | 18,000,000 | 18,000,000 |
| Excise Tax | 97,033,000 | 91,100,000 | 90,700,000 |
| Motor Vehicle Title Fees | 2,518,000 | 2,700,000 | 2,700,000 |
| Total Tax Revenues | \$236,000,000 | \$227,900,000 | \$225,900,000 |
| Other Revenues: | | | |
| Sports Authority | \$3,993,000 | \$3,988,000 | \$3,986,000 |
| State Parks | 2,005,000 | 0 | 2,510,000 |
| Community Provider Pooled Loans | 1,500,000 | 0 | 0 |
| Premium on Bond Sales | 5,149,000 | 0 | 0 |
| Arbitrage Rebate | 0 | 572,000 | 0 |
| Total Other Revenues | \$12,647,000 | \$4,560,000 | \$6,496,000 |
| Total Available Funds | \$252,054,000 | \$236,987,000 | \$233,212,000 |
| | | | |
| Appropriations, Transfers, and Fund Balance | | | |
| Debt Service Appropriations for: | | | |
| Outstanding Bonds @ 6/30/2002 | \$117,367,000 | \$123,478,000 | \$119,765,000 |
| Community Provider Pooled Loans - Repaid | 1,500,000 | 0 | 0 |
| Capital Outlay Projects - Unissued Bonds (\$289,548,000) | 0 | 0 | 31,850,000 |
| Capital Outlay Projects - Proposed Bonds @ 10 Years (\$18,100,000) | 0 | 0 | 2,896,000 |
| Capital Outlay Projects - Proposed Bonds @ 20 Years (\$25,900,000) | 0 | 0 | 2,849,000 |
| Short Term Interest | 3,558,000 | 2,750,000 | 0 |
| Debt Service Expense | 1,282,000 | 1,000,000 | 1,000,000 |
| Total Debt Service Appropriations | \$123,707,000 | \$127,228,000 | \$158,360,000 |
| Transfers to Other Funds: | | | |
| Highway Fund | \$80,000,000 | \$77,000,000 | \$74,000,000 |
| General Fund | 40,100,000 | 28,000,000 | 0 |
| Capital Projects Fund - Technology Centers | 3,700,000 | 3,943,000 | 0 |
| Capital Projects Fund - Other | 20,000 | 0 | 0 |
| Total Transfers to Other Funds | \$123,820,000 | \$108,943,000 | \$74,000,000 |
| Total Appropriations and Transfers | \$247,527,000 | \$236,171,000 | \$232,360,000 |
| | | | |
| Unreserved Fund Balance, June 30 | \$4,527,000 | \$816,000 | \$852,000 |

**Debt Service Fund
Comparative Balance Sheet
June 30, 2001, and June 30, 2002**

| | <u>June 30, 2001</u> | <u>June 30, 2002</u> |
|---|---------------------------------------|---------------------------------------|
| Assets | | |
| Cash and Cash Equivalents | \$1,217,000 | \$90,000 |
| Taxes Receivable | 3,429,000 | 4,116,000 |
| Loans Receivable | 13,800,000 | 12,300,000 |
| Restricted Cash | 0 | 4,498,000 |
| | <u> </u> | <u> </u> |
| Total Assets | <u><u>\$18,446,000</u></u> | <u><u>\$21,004,000</u></u> |
| Liabilities and Fund Balance | | |
| Liabilities: | | |
| Accounts Payable and Accruals | \$1,228,000 | \$3,549,000 |
| Due to Other Funds | 11,000 | 0 |
| Deferred Revenue | 13,800,000 | 12,928,000 |
| | <u> </u> | <u> </u> |
| Total Liabilities | <u><u>\$15,039,000</u></u> | <u><u>\$16,477,000</u></u> |
| Fund Balance: | | |
| Unreserved: Designated for Debt Service | <u>\$3,407,000</u> | <u>\$4,527,000</u> |
| Total Fund Balance | <u><u>\$3,407,000</u></u> | <u><u>\$4,527,000</u></u> |
| Total Liabilities and Fund Balance | <u><u>\$18,446,000</u></u> | <u><u>\$21,004,000</u></u> |

Bond Fund
Statement of Bonds Authorized and Unissued
June 30, 2001 - June 30, 2003

| <u>Year</u> | <u>Authority</u> | <u>Description</u> | <u>June 30, 2001</u> | <u>June 30, 2002</u> | <u>June 30, 2003*</u> |
|--|------------------|---|----------------------------------|----------------------------------|----------------------------------|
| 1985 | Chapter 425 | Data Processing Equipment - Telephone Systems | \$8,340,394.00 | \$0.00 | \$0.00 |
| 1986 | Chapter 875 | Data Processing Equipment | 504,653.00 | 0.00 | 0.00 |
| 1989 | Chapter 525 | Data Processing Equipment | 356,033.00 | 6.00 | 6.00 |
| 1990 | Chapter 947 | Capital Outlay Projects | 716,284.98 | 230,286.03 | 0.00 |
| 1990 | Chapter 947 | Equipment Revolving Fund | 41,001.05 | 41,001.05 | 41,001.05 |
| 1992 | Chapter 930 | Capital Outlay Projects | 40,886.37 | 40,886.37 | 40,886.37 |
| 1992 | Chapter 930 | Data Processing Equipment | 8,742,400.00 | 8,742,400.00 | 8,742,400.00 |
| 1992 | Chapter 1028 | State Parks | 354,126.41 | 0.00 | 0.00 |
| 1993 | Chapter 528 | Golf Courses | 16,500,000.00 | 0.00 | 0.00 |
| 1993 | Chapter 533 | Capital Outlay Projects | 335,209.87 | 335,209.87 | 335,209.87 |
| 1994 | Chapter 850 | State Parks | 283,719.00 | 0.00 | 0.00 |
| 1994 | Chapter 850 | Data Processing Equipment | 13,800,000.00 | 13,800,000.00 | 13,800,000.00 |
| 1994 | Chapter 1009 | Higher Education - Technology Centers | 6,641,713.00 | 4,981,284.00 | 4,981,284.00 |
| 1994 | Chapter 1010 | Capital Outlay Projects | 78,779.65 | 50,426.86 | 50,426.86 |
| 1994 | Chapter 1010 | Facilities Revolving Fund | 1,258,374.91 | 632,340.15 | 632,340.15 |
| 1994 | Chapter 1010 | Equipment Revolving Fund | 2,500,000.00 | 0.00 | 0.00 |
| 1994 | Chapter 1010 | Highway Construction | 80,000,000.00 | 0.00 | 0.00 |
| 1995 | Chapter 457 | Higher Education - Technology Centers | 3,492,496.10 | 2,108,978.95 | 2,108,978.95 |
| 1995 | Chapter 461 | Capital Outlay Projects | 2,130,913.66 | 1,356,298.64 | 1,356,298.64 |
| 1995 | Chapter 461 | Highway Construction | 77,000,000.00 | 77,000,000.00 | 0.00 |
| 1996 | Chapter 908 | Higher Education - Technology Centers | 13,265,790.90 | 12,852,844.90 | 12,852,844.90 |
| 1996 | Chapter 945 | State Parks | 3,150,336.01 | 77,365.99 | 77,365.99 |
| 1996 | Chapter 952 | Capital Outlay Projects | 39,055,228.27 | 19,721,061.77 | 19,721,061.77 |
| 1996 | Chapter 952 | State Parks | 244,894.82 | 244,894.82 | 244,894.82 |
| 1996 | Chapter 952 | Data Processing Equipment | 20,000,000.00 | 20,000,000.00 | 20,000,000.00 |
| 1996 | Chapter 952 | Highway Construction | 148,000,000.00 | 148,000,000.00 | 148,000,000.00 |
| 1996 | Chapter 990 | State Parks | 16,000,000.00 | 16,000,000.00 | 16,000,000.00 |
| 1997 | Chapter 535 | Capital Outlay Projects | 20,726,601.06 | 13,081,469.82 | 13,081,469.82 |
| 1997 | Chapter 535 | Highway Construction | 75,000,000.00 | 75,000,000.00 | 75,000,000.00 |
| 1998 | Chapter 831 | Refund TLDA Community Provider Pooled Loans | 24,800,000.00 | 23,300,000.00 | 23,300,000.00 |
| 1998 | Chapter 1103 | Capital Outlay Projects | 169,384,686.48 | 97,997,719.53 | 97,997,719.53 |
| 1998 | Chapter 1103 | Facilities Revolving Fund | 8,480,329.72 | 1,263,038.80 | 1,263,038.80 |
| 1998 | Chapter 1103 | Highway Construction | 90,000,000.00 | 90,000,000.00 | 90,000,000.00 |
| 1999 | Chapter 401 | Capital Outlay Projects | 37,498,099.89 | 17,161,923.38 | 17,161,923.38 |
| 1999 | Chapter 401 | Facilities Revolving Fund | 13,588,000.00 | 11,687,732.30 | 11,687,732.30 |
| 1999 | Chapter 401 | Highway Construction | 83,800,000.00 | 83,800,000.00 | 83,800,000.00 |
| 2000 | Chapter 984 | Capital Outlay Projects | 76,290,000.00 | 64,994,488.16 | 64,994,488.16 |
| 2000 | Chapter 984 | Prison Construction | 21,000,000.00 | 21,000,000.00 | 13,352,159.00 |
| 2000 | Chapter 984 | Facilities Revolving Fund | 19,400,000.00 | 15,528,502.81 | 15,528,502.81 |
| 2000 | Chapter 984 | Highway Construction | 87,700,000.00 | 87,700,000.00 | 87,700,000.00 |
| 2001 | Chapter 460 | State Parks | 0.00 | 2,000,000.00 | 2,000,000.00 |
| 2001 | Chapter 462 | Capital Outlay Projects | 0.00 | 19,300,000.00 | 19,300,000.00 |
| 2001 | Chapter 462 | Facilities Revolving Fund | 0.00 | 61,300,000.00 | 61,300,000.00 |
| 2001 | Chapter 462 | Highway Construction | 0.00 | 80,000,000.00 | 80,000,000.00 |
| 2002 | Chapter 852 | Higher Education - Geier Settlement | 0.00 | 0.00 | 11,600,000.00 |
| 2002 | Chapter 852 | Capital Outlay Projects | 0.00 | 0.00 | 35,565,000.00 |
| 2002 | Chapter 852 | Facilities Revolving Fund | 0.00 | 0.00 | 3,100,000.00 |
| 2002 | Chapter 852 | Highway Construction | 0.00 | 0.00 | 77,000,000.00 |
| Total Bonds Authorized and Unissued | | | <u>\$1,190,500,952.15</u> | <u>\$1,091,330,160.20</u> | <u>\$1,133,717,033.17</u> |
| Summary by Purpose: | | | | | |
| | | Capital Outlay Projects | \$427,189,766.47 | \$293,535,139.09 | \$332,822,012.06 |
| | | Facilities Revolving Fund | 42,726,704.63 | 90,411,614.06 | 93,511,614.06 |
| | | Highway Construction | 641,500,000.00 | 641,500,000.00 | 641,500,000.00 |
| | | Data Processing Equipment | 51,743,480.00 | 42,542,406.00 | 42,542,406.00 |
| | | Equipment Revolving Fund | 2,541,001.05 | 41,001.05 | 41,001.05 |
| | | Refund TLDA Loans | 24,800,000.00 | 23,300,000.00 | 23,300,000.00 |
| Total Bonds Authorized and Unissued | | | <u>\$1,190,500,952.15</u> | <u>\$1,091,330,160.20</u> | <u>\$1,133,717,033.17</u> |

* This column reflects bonds authorized and cancelled in the current fiscal year.

Bond Fund
Statement of Bonds Sold
July 1, 2000 - June 30, 2002

| Year | Authority | Description | July 1, 2000 - June 30, 2001 | July 1, 2001 - June 30, 2002 |
|-------------------------|--------------|---------------------------|---------------------------------------|---------------------------------------|
| 1990 | Chapter 947 | Capital Outlay Projects | \$227,165.16 | \$0.00 |
| 1992 | Chapter 930 | Capital Outlay Projects | 62,382.45 | 0.00 |
| 1992 | Chapter 1028 | State Parks | 381,199.59 | 354,126.41 |
| 1993 | Chapter 528 | Golf Courses | 0.00 | 16,480,000.00 |
| 1994 | Chapter 850 | State Parks | 2,785,392.10 | 0.00 |
| 1994 | Chapter 1009 | Technology Centers | 827.26 | 0.00 |
| 1994 | Chapter 1010 | Capital Outlay Projects | 617,758.34 | 28,352.79 |
| 1994 | Chapter 1010 | Facilities Revolving Fund | 3,088,564.80 | 626,034.76 |
| 1995 | Chapter 461 | Capital Outlay Projects | 651,765.77 | 531,507.17 |
| 1996 | Chapter 945 | State Parks | 9,810,671.68 | 3,072,970.02 |
| 1996 | Chapter 952 | Capital Outlay Projects | 31,098,235.90 | 19,334,166.50 |
| 1997 | Chapter 535 | Capital Outlay Projects | 1,873,382.84 | 7,645,131.24 |
| 1997 | Chapter 535 | Facilities Revolving Fund | 24,900,000.00 | 0.00 |
| 1998 | Chapter 1103 | Capital Outlay Projects | 62,243,083.72 | 71,386,966.95 |
| 1998 | Chapter 1103 | Facilities Revolving Fund | 9,419,670.28 | 7,217,290.92 |
| 1999 | Chapter 401 | Capital Outlay Projects | 2,727,900.11 | 20,336,176.51 |
| 1999 | Chapter 401 | Facilities Revolving Fund | 112,000.00 | 1,900,267.70 |
| 2000 | Chapter 984 | Capital Outlay Projects | 0.00 | 11,295,511.84 |
| 2000 | Chapter 984 | Facilities Revolving Fund | 0.00 | 3,871,497.19 |
| Total Bonds Sold | | | <u><u>\$150,000,000.00</u></u> | <u><u>\$164,080,000.00</u></u> |

Bond Fund
Statement of Appropriations in Lieu of Issuing Bonds
July 1, 2000 - June 30, 2003

| Year | Authority | Description | July 1, 2000 - June 30, 2001 | July 1, 2001 - June 30, 2002 | July 1, 2002 - June 30, 2003* |
|--|------------------|-------------------------------------|---|---|--|
| 1990 | Chapter 947 | Capital Outlay | \$0.00 | \$0.00 | \$230,286.03 |
| 1993 | Chapter 528 | Golf Courses | 0.00 | 20,000.00 | 0.00 |
| 1993 | Chapter 533 | Highway Construction | 80,000,000.00 | 0.00 | 0.00 |
| 1994 | Chapter 1009 | Higher Education-Technology Centers | 2,079,243.93 | 1,660,429.00 | 0.00 |
| 1994 | Chapter 1010 | Highway Construction | 7,700,000.00 | 80,000,000.00 | 0.00 |
| 1994 | Chapter 1010 | Equipment Revolving Fund | 3,500,000.00 | 0.00 | 0.00 |
| 1995 | Chapter 457 | Higher Education-Technology Centers | 1,207,810.07 | 1,383,517.15 | 0.00 |
| 1995 | Chapter 461 | Higher Education-Technology Centers | 0.00 | 243,107.85 | 0.00 |
| 1995 | Chapter 461 | Highway Construction | 0.00 | 0.00 | 77,000,000.00 |
| 1996 | Chapter 908 | Higher Education-Technology Centers | 412,946.00 | 412,946.00 | 0.00 |
| 1996 | Chapter 952 | Prison Construction | 13,814,000.00 | 0.00 | 0.00 |
| 1998 | Chapter 831 | Community Provider Pooled Loans | 1,000,000.00 | 1,500,000.00 | 0.00 |
| 2000 | Chapter 984 | Prison Construction | 0.00 | 0.00 | 7,647,841.00 |
| Total Appropriations in Lieu of Issuing Bonds | | | <u>\$109,714,000.00</u> | <u>\$85,220,000.00</u> | <u>\$84,878,127.03</u> |

*This column reflects bonds cancelled in the current fiscal year.

Note: Chapter 462, Public Acts of 2001, which passed on July 12, 2001, cancelled the following unissued bond authorizations:

| | | | |
|------|--------------|---------------------------|----------------|
| 1985 | Chapter 425 | Data Processing Equipment | \$8,340,394.00 |
| 1986 | Chapter 875 | Data Processing Equipment | \$504,653.00 |
| 1989 | Chapter 525 | Data Processing Equipment | \$356,027.00 |
| 1990 | Chapter 947 | Equipment Revolving Fund | \$485,998.95 |
| 1994 | Chapter 850 | State Parks | \$283,719.00 |
| 1994 | Chapter 1010 | Equipment Revolving Fund | \$2,500,000.00 |

Bond Fund
Statement of Bonded Indebtedness
Principal and Interest on Bonded Debt
June 30, 2002

| Outstanding Bonds | | | |
|--------------------------|----------------------|----------------------|------------------------|
| Fiscal Year | Principal | Interest | Total |
| 2002 - 2003 | \$74,153,000 | \$49,325,000 | \$123,478,000 |
| 2003 - 2004 | 73,847,000 | 45,918,000 | 119,765,000 |
| 2004 - 2005 | 73,664,000 | 42,075,000 | 115,739,000 |
| 2005 - 2006 | 73,526,000 | 38,118,000 | 111,644,000 |
| 2006 - 2007 | 64,906,000 | 34,313,000 | 99,219,000 |
| 2007 - 2008 | 59,660,000 | 31,102,000 | 90,762,000 |
| 2008 - 2009 | 59,229,000 | 28,202,000 | 87,431,000 |
| 2009 - 2010 | 57,647,000 | 25,359,000 | 83,006,000 |
| 2010 - 2011 | 57,455,000 | 22,510,000 | 79,965,000 |
| 2011 - 2012 | 53,697,000 | 19,624,000 | 73,321,000 |
| 2012 - 2013 | 53,916,000 | 16,896,000 | 70,812,000 |
| 2013 - 2014 | 47,995,000 | 14,158,000 | 62,153,000 |
| 2014 - 2015 | 43,467,000 | 11,724,000 | 55,191,000 |
| 2015 - 2016 | 39,290,000 | 9,513,000 | 48,803,000 |
| 2016 - 2017 | 34,840,000 | 7,520,000 | 42,360,000 |
| 2017 - 2018 | 27,424,000 | 5,741,000 | 33,165,000 |
| 2018 - 2019 | 18,697,000 | 4,322,000 | 23,019,000 |
| 2019 - 2020 | 15,152,000 | 3,327,000 | 18,479,000 |
| 2020 - 2021 | 9,665,000 | 2,510,000 | 12,175,000 |
| 2021 - 2022 | 9,810,000 | 1,987,000 | 11,797,000 |
| 2022 - 2023 | 2,540,000 | 1,454,000 | 3,994,000 |
| 2023 - 2024 | 2,705,000 | 1,292,000 | 3,997,000 |
| 2024 - 2025 | 2,875,000 | 1,120,000 | 3,995,000 |
| 2025 - 2026 | 3,060,000 | 936,000 | 3,996,000 |
| 2026 - 2027 | 3,255,000 | 740,000 | 3,995,000 |
| 2027 - 2028 | 3,465,000 | 532,000 | 3,997,000 |
| 2028 - 2029 | 3,720,000 | 275,000 | 3,995,000 |
| Total | \$969,660,000 | \$420,593,000 | \$1,390,253,000 |

NOTE: The statement excludes bonds for sewage treatment works, waterworks construction, and solid waste recovery facilities authorized prior to the enactment of Chapter 785, Public Acts of 1978, the Tennessee Local Development Authority Act. Debt service for these bonds is provided by local governments. The statement also excludes bonds for the State Facilities Revolving Fund. Debt service for the bonds is appropriated to the Facilities Revolving Fund and is expended in the fund. At June 30, 2002 outstanding principal was \$160,616,000 and interest was \$60,946,000.

Capital Outlay and Facilities Program

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Capital Budget

Recommended Budget, Fiscal Year 2003 - 2004

The Capital Budget process begins with the receipt of departmental and agency capital maintenance and project requests. The various agencies and departments annually submit their capital requests in priority order to the Department of Finance and Administration, Division of Budget.

Upon receipt of the capital budget requests, three phases of review are undertaken by the Division of Capital Projects and Real Property Management and the Division of Budget. The initial phase allows for an understanding of the need by the Capital Projects and Real Property Management and Budget review teams. Phase two is built upon the technical requirements of the capital request, involving on-site visits by the review teams. The final phase involves financial review. The projects are analyzed for funding requirements and consistency with program goals and are reviewed within projected availability of funds in the budget for the requested fiscal year. If funds are deemed to be insufficient, individual projects may be deferred to be included in future budgets or rejected.

The Administration intends for the needs of departmental programs to be the impetus for all capital outlay requirements. Facilities funded through the capital budget process should support program and service requirements. Therefore, funding of projects is analyzed on priority of fiscal support for individual existing and new programs. The goal is to find the best mix of new capital outlay and facility maintenance in order to sustain and implement programs and services.

The management of facilities should be flexible enough to adjust to changing programs through renovation of existing assets. Attempts are made to minimize operational costs and future capital expenditures through better design and more flexible layouts, as has been done in the state's new prisons. In the event that a capital project creates the need for additional opera-

tional funding, those funds are considered in the development of the budget in the year when the new space is expected to be occupied.

Improvements to real property funded by public or private funds must be approved by the State Building Commission. The State Building Commission is composed of seven ex-officio members: the Governor, the Secretary of State, the Comptroller of the Treasury, the Commissioner of Finance and Administration, the Treasurer, and the Speakers of the Senate and House of Representatives. The State Building Commission, in addition to supervising improvements to real property, oversees leases by state agencies and the demolition of structures located on state property.

The capital items presented in this document as recommendations to the General Assembly consist of projects meeting the requirements and policy guidelines of the State Building Commission. The capital project recommendations are itemized by department.

Capital maintenance projects are defined as major, non-routine repairs, and replacements unrelated to new construction that cost \$100,000 or more. Maintenance projects costing less than this amount are considered to be major maintenance items that are addressed within the departments' operational budget major maintenance programs. Capital maintenance projects include items that appreciably extend the life of the facility, such as alterations to rectify code deficiencies, modifications to improve utility systems, repaving, roof repairs, exterior fencing and lighting, and repair projects that restore a facility to its former condition and do not result in changes in facility use. Funding for these projects is included in the amount allocated to the Department of Finance and Administration, and projects are selected for completion according to the review process outlined above.

Capital outlay projects are defined as those providing new facilities or materially extending

Capital Budget

the useful life and improving or changing the function of an existing facility. These projects include facility renovation, new construction, new utility or service systems, land with or without buildings, appurtenances, site improvements or permanent betterments, and initial equipment to furnish and operate a new or improved facility which require the assistance of a design professional or cost \$100,000 or more.

For fiscal year 2003-2004, the capital projects budget proposal recommends a total of \$70,232,000 divided between capital outlays and capital maintenance requests.

Capital Maintenance — Capital maintenance projects are recommended at a level of \$49,692,000. State bond authorization is recommended in the amount of \$17,330,000 in 20 year bonds and \$14,335,000 in 10 year bonds. Federal and other sources equal the remainder of the total amount. These projects focus on maintaining current facilities, primarily through repair and renovation of roofing, mechanical, and electrical systems. Funding is also included to bring state facilities in line with federal standards for underground storage tanks, asbestos, and citizens with disabilities. The Tennessee Board of Regents and the University of Tennessee are also funded for modifications to assist in compliance with the Americans with Disabilities Act.

Capital Outlay — Capital outlays recommended for this fiscal year total \$20,540,000. Of this total, \$8,570,000 in 20 year bonds and \$3,765,000 in 10 year bonds are requested. Federal and other sources equal the remainder of the total amount.

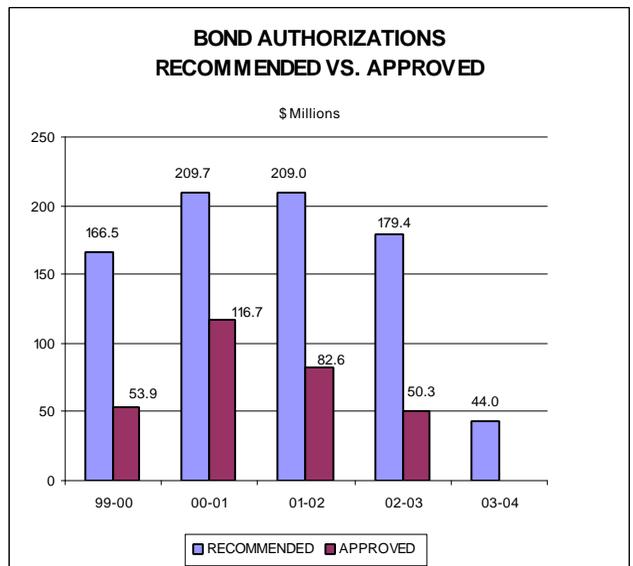
Projects from dedicated sources of revenue are also recommended for the Department of Transportation and the Tennessee Wildlife Resources Agency.

Facilities Revolving Fund — Capital projects and maintenance for the Facilities Revolving Fund is recommended at a funding level of \$9,515,000. Facilities Revolving Fund capital projects are listed in the Facilities Revolving

Fund section, which follows the Capital Projects section of this document.

Operating Costs — Included within this section is an estimate of the first year operating costs resulting from proposed new construction. Differences in operating costs can be the result of efficiencies from better designs and energy systems or program requirements. Renovation projects, which do not have an impact on operating efficiencies, are considered to be cost neutral. Only those projects which have been determined to have increases or decreases in operating costs from the current budget have been included in the schedule.

New Bond Authorizations — Capital maintenance, capital outlay and Facilities Revolving Fund requests will require new bond authorizations totaling \$44,000,000. The chart below compares the bond authorizations recommended with those approved by the General Assembly during the past several years.



Proposed Capital Appropriations from Bonds, Current Funds, and Other Revenues Fiscal Year 2003-2004

| CAPITAL OUTLAYS | COUNTY | TOTAL | 10 YEAR BONDS | 20 YEAR BONDS | FEDERAL | OTHER |
|---|------------|---------------------|---------------------|---------------------|--------------------|---------------------|
| Children's Services | | | | | | |
| Taft Youth Center New Multi-Purpose Building | Bledsoe | 3,400,000 | 200,000 | 3,200,000 | 0 | 0 |
| | | \$3,400,000 | \$200,000 | \$3,200,000 | \$0 | \$0 |
| Correction | | | | | | |
| Maintenance | Statewide | 6,715,000 | 0 | 0 | 0 | 6,715,000 |
| | | \$6,715,000 | \$0 | \$0 | \$0 | \$6,715,000 |
| Environment and Conservation | | | | | | |
| Cumberland Mt. State Park Replace Sewer Plant | Cumberland | 1,730,000 | 30,000 | 1,700,000 | 0 | 0 |
| Harrison Bay State Park Replace Sewer Plant | Hamilton | 1,020,000 | 20,000 | 1,000,000 | 0 | 0 |
| Three Bridge Replacement Projects | Areawide | 1,250,000 | 250,000 | 0 | 1,000,000 | 0 |
| Meeman-Shelby State Park Replace Sewer Plant | Shelby | 990,000 | 20,000 | 970,000 | 0 | 0 |
| | | \$4,990,000 | \$320,000 | \$3,670,000 | \$1,000,000 | \$0 |
| Finance and Administration | | | | | | |
| ORNL Biological Sciences Building Planning | Anderson | 400,000 | 400,000 | 0 | 0 | 0 |
| | | \$400,000 | \$400,000 | \$0 | \$0 | \$0 |
| Mental Health & Developmental Disabilities | | | | | | |
| Lakeshore MHI New Facility Planning & Design | Knox | 2,000,000 | 1,000,000 | 0 | 0 | 1,000,000 |
| Western MHI New Facility Planning & Design | Hardeman | 2,000,000 | 1,000,000 | 0 | 0 | 1,000,000 |
| | | \$4,000,000 | \$2,000,000 | \$0 | \$0 | \$2,000,000 |
| Military Department | | | | | | |
| New Tazewell Readiness Center Construction | Claiborne | 3,800,000 | 95,000 | 700,000 | 2,845,000 | 160,000 |
| TEMA War Records Upgrade Project | Davidson | 1,750,000 | 750,000 | 1,000,000 | 0 | 0 |
| Smyrna Dayroom/ PX Extension | Rutherford | 300,000 | 0 | 0 | 300,000 | 0 |
| AASF Fire Suppression System for Hangers | Rutherford | 1,500,000 | 0 | 0 | 1,500,000 | 0 |
| Smyrna Billeting Building 542 | Rutherford | 400,000 | 0 | 0 | 400,000 | 0 |
| | | \$7,750,000 | \$845,000 | \$1,700,000 | \$5,045,000 | \$160,000 |
| Tennessee Board of Regents | | | | | | |
| Maintenance | Statewide | 13,060,000 | 4,670,000 | 6,590,000 | 0 | 1,800,000 |
| | | \$13,060,000 | \$4,670,000 | \$6,590,000 | \$0 | \$1,800,000 |
| University of Tennessee | | | | | | |
| Maintenance | Statewide | 7,750,000 | 3,610,000 | 4,140,000 | 0 | 0 |
| | | \$7,750,000 | \$3,610,000 | \$4,140,000 | \$0 | \$0 |
| Statewide Capital Maintenance | | | | | | |
| Maintenance | Statewide | 22,167,000 | 6,055,000 | 6,600,000 | 512,000 | 9,000,000 |
| | | \$22,167,000 | \$6,055,000 | \$6,600,000 | \$512,000 | \$9,000,000 |
| Grand Total | | \$70,232,000 | \$18,100,000 | \$25,900,000 | \$6,557,000 | \$19,675,000 |

Capital Outlay Project Descriptions

Fiscal Year 2003 - 2004

| | Total Project Cost |
|--|-------------------------------|
| Children's Services | |
| Taft Youth Development Center - Construct Multi-Purpose / School Building | \$3,400,000 |
| Construct a building for multi-purpose use to replace deteriorating buildings housing classification, counseling offices, visitation, A & D program, chapel, operations office and the school building. | |
| Correction | |
| Maintenance | \$6,715,000 |
| Funds to repair, maintain, and update facilities. | |
| Environment and Conservation | |
| Cumberland Mountain State Park - Replace Sewer Plant | \$1,730,000 |
| Replace the existing sewer plant, and upgrades to the collection system, and pumping stations. The existing plant is 30 years old has reached its useful life. It is constantly needing repairs, and is unable to meet its discharge permit limits. The park was issued a "Notice of Violation" in July of 2001 by the Division of Water Pollution Control for discharge permit violations, due to the plant's inability to meet its discharge criteria. | |
| Harrison Bay State Park - Replace Sewer Plant | 1,020,000 |
| Replace the sewer plant, upgrade the pump stations and collection system. The existing plant is 30 years old, has reached the end of its useful life and is having greater difficulty in meeting the required permit limits for its discharge. The plant is outdated and needs to be replaced. In March 2002 the Division of Water Pollution Control issued a "Notice of Violation" to the park for the plant's discharge permit violations. | |
| Three Bridge Replacement Projects | 1,250,000 |
| Two bridges located at Standing Stone State Park and one at Montgomery Bell State Park have been inspected by TDOT and have been found sub-standard. The funding is 80% federal and 20% State through Federal-Aid Bridge Replacement program. | |
| Meeman-Shelby State Park - Replace Sewer Plant | 990,000 |
| To provide for the replacement of the park's sewer plant and upgrades to pump stations and collection system. The plant was constructed in 1974 along with the five pumping stations. The plant has reached the end of its useful life and needs to be replaced. Maintenance costs have increased each year; an engineering report has recommended that this facility be replaced with a new areated lagoon treatment system. | |
| Total Environment and Conservation | \$4,990,000 |
| Finance and Administration | |
| Oak Ridge National Laboratory Biological Sciences Building Planning | \$400,000 |
| Planning and Design of the Joint Institute for Biological Sciences to be used by the Oak Ridge National Laboratory and the University of Tennessee. This is part of the UT-Battelle, U.S. Department of Energy, and State of Tennessee Partnership effort. | |

Capital Outlay Project Descriptions

Fiscal Year 2003 - 2004

| | Total Project Cost |
|---|-------------------------------|
| Mental Health & Developmental Disabilities | |
| Lakeshore MHI - New Facility Planning and Design Fully plan architectural documents for construction of a new mental health hospital facility. | \$2,000,000 |
| Western MHI - New Facility Planning and Design Fully plan architectural documents for construction of a new mental health hospital facility. | 2,000,000 |
| Total Mental Health & Developmental Disabilities | \$4,000,000 |
| Military Department | |
| New Tazewell Readiness Center Construction Construct a 100-soldier Army Readiness Center in compliance with National Guard Bureau (NGB) standards. This project must be under contract prior to October 1, 2003; otherwise the federal funding will no longer be available. Project will be designed by the Tennessee Army National Guard (TNARNG) facilities engineers. | \$3,800,000 |
| TEMA War Records Building Upgrade Project This project will rehabilitate approximately 17,000 square feet of space presently occupied by the Tennessee Emergency Management Agency (TEMA) and located in two buildings. TEMA space in Building 100 (consisting of the existing TEMA War Room and office facilities) will be upgraded. Building 130, which houses war records, communications, TEMA regional planning, and training activities will also be renovated. The TNARNG facilities engineers will provide design services. | 1,750,000 |
| Smyrna PX / Dayroom Extension Construct 4,403 square foot dayroom and post exchange (PX) extension as shown in the SBC approved master plan. The facility will include barber shop, snack bar, and lounge area, serving transient soldiers during training, conferences, and other functions at the Volunteer Training Site at Smyrna. Project design will be accomplished by the TNARNG facility engineers. Funding is 100% Federal. | 300,000 |
| AASF Fire Suppression System for Hangers Construct a foam fire suppression system in the aviation maintenance hangars. These systems are required for health and safety purposes. Currently no such system exists in these hangars. Project design will be accomplished by the TNARNG facility engineers. Funding is 100% Federal. | 1,500,000 |
| Smyrna Billeting Building Number 542 Construct 4,403 square foot billeting building with semi-private rooms to support soldiers during training, conferences, and other functions at Volunteer Training Site-Smyrna. In-house design to be completed by the TNARNG facility engineers. Funding is 100% Federal. | 400,000 |
| Total Military Department | \$7,750,000 |

Capital Outlay Project Descriptions

Fiscal Year 2003 - 2004

| | Total Project Cost |
|--|-------------------------------|
| Tennessee Board of Regents | |
| Maintenance | <u>\$13,060,000</u> |
| Funds to repair, maintain, and update facilities. | |
| University of Tennessee System | |
| Maintenance | <u>\$7,750,000</u> |
| Funds to repair, maintain, and update facilities. | |
| Statewide Capital Maintenance | |
| Maintenance | <u>\$22,167,000</u> |
| Funds to repair, maintain, and update general government facilities. | |
| GRAND TOTAL | <u><u>\$70,232,000</u></u> |

**Projects Funded from Dedicated Revenues
Fiscal Year 2003 - 2004**

| | <u>COUNTY</u> | <u>TOTAL</u> | <u>STATE</u> | <u>BONDS</u> | <u>FEDERAL</u> | <u>OTHER</u> |
|---|---------------|--------------------|--------------|--------------|----------------|--------------------|
| Tennessee Wildlife Resources Agency | | | | | | |
| Douglas Lake Blue Star Boat Ramp Upgrade | Jefferson | 75,000 | 0 | 0 | 0 | 75,000 |
| Hiwassee River Blue Star Boat Ramp Upgrade | Bradley | 75,000 | 0 | 0 | 0 | 75,000 |
| Morristown Hatchery Rearing Pond Liners | Hamblen | 100,000 | 0 | 0 | 0 | 100,000 |
| Herb Parsons Lake Access Area Upgrade | Fayette | 60,000 | 0 | 0 | 0 | 60,000 |
| Humbolt Hatchery New Shed | Gibson | 106,000 | 0 | 0 | 0 | 106,000 |
| Morristown Hatchery Fish Handling Shed | Hamblen | 89,000 | 0 | 0 | 0 | 89,000 |
| Springfield Hatchery New Rearing Pond | Robertson | 25,000 | 0 | 0 | 0 | 25,000 |
| Total | | \$530,000 | \$0 | \$0 | \$0 | \$530,000 |
| | | | | | | |
| Transportation | | | | | | |
| Region 3 Reroof Buildings A & B | Davidson | 500,000 | 0 | 0 | 0 | 500,000 |
| Region 1 Renovate 5 District Offices | Areawide | 500,000 | 0 | 0 | 0 | 500,000 |
| Region 1 Replace Highway Marking Building | Sullivan | 200,000 | 0 | 0 | 0 | 200,000 |
| Region 4 Boswell Office Additional Space | Shelby | 260,000 | 0 | 0 | 0 | 260,000 |
| Region 4 Raze & Replace 2 Buildings | Areawide | 300,000 | 0 | 0 | 0 | 300,000 |
| Region 2 Renovate 4 District Offices | Areawide | 120,000 | 0 | 0 | 0 | 120,000 |
| New District 25 Bridge Inspection Building | Coffee | 150,000 | 0 | 0 | 0 | 150,000 |
| Region 2 Renovate HQS Annex Building | Hamilton | 350,000 | 0 | 0 | 0 | 350,000 |
| Region 1 Access Road Additional Funding | Knox | 150,000 | 0 | 0 | 0 | 150,000 |
| Region 4 Four New Storage Sheds | Areawide | 350,000 | 0 | 0 | 0 | 350,000 |
| District 22 New County Maintenance Building | Sequatchie | 150,000 | 0 | 0 | 0 | 150,000 |
| Region 3 Renovate 5 County Maint. Sites | Areawide | 700,000 | 0 | 0 | 0 | 700,000 |
| Region 1 New County Maintenance Building | Sullivan | 180,000 | 0 | 0 | 0 | 180,000 |
| Region 3 Replace 5 Equipment Sheds | Areawide | 625,000 | 0 | 0 | 0 | 625,000 |
| Region 2 New Cookeville Maintenance Office | Putnam | 180,000 | 0 | 0 | 0 | 180,000 |
| Region 1 New Equipment Shed | Washington | 80,000 | 0 | 0 | 0 | 80,000 |
| Region 3 Replace Maintenance Shop | Smith | 350,000 | 0 | 0 | 0 | 350,000 |
| Region 3 New SR840 Salt Bin | Rutherford | 250,000 | 0 | 0 | 0 | 250,000 |
| Region 4 District 45 Equipment Shed | Shelby | 600,000 | 0 | 0 | 0 | 600,000 |
| Total | | \$5,995,000 | \$0 | \$0 | \$0 | \$5,995,000 |
| | | | | | | |
| Grand Total | | \$6,525,000 | \$0 | \$0 | \$0 | \$6,525,000 |

**Projected First Year Operating Costs for New Facilities
Recommended as Projects for Fiscal Year 2003 - 2004**

| | <u>COUNTY</u> | <u>TOTAL</u> | <u>UTILITIES</u> | <u>MAINTENANCE</u> | <u>PROGRAM</u> |
|----------------------------------|---------------|------------------|------------------|--------------------|-----------------|
| Children's Services | | | | | |
| Taft New Multi-Purpose Building | Bledsoe | 118,500 | 95,000 | 9,500 | 14,000 |
| | | \$118,500 | \$95,000 | \$9,500 | \$14,000 |
| Military | | | | | |
| New Tazewell Readiness Center | Claiborne | 44,000 | 44,000 | 0 | 0 |
| Smyrna Dayroom / PX Extension | Rutherford | 50,000 | 50,000 | 0 | 0 |
| Smyrna Billeting Building No.542 | Rutherford | 50,000 | 50,000 | 0 | 0 |
| | | \$144,000 | \$144,000 | \$0 | \$0 |
| Grand Total | | \$262,500 | \$239,000 | \$9,500 | \$14,000 |

Proposed Capital Projects from School Bonds and Other Sources Fiscal Year 2003 - 2004

| | <u>TOTAL</u> | <u>TSSBA</u> | <u>INSTITUTIONAL/ AUXILIARY</u> | <u>OTHER</u> |
|--|---------------------|---------------------|-------------------------------------|---------------------|
| Systemwide | | | | |
| CFC Chiller Replacements | 1,800,000 | 1,800,000 | 0 | 0 |
| Performance Contracting | 10,000,000 | 10,000,000 | 0 | 0 |
| | <u>\$11,800,000</u> | <u>\$11,800,000</u> | <u>\$0</u> | <u>\$0</u> |
| Austin Peay State University | | | | |
| Memorial Health Center Student Recreation Upgrade | 7,500,000 | 6,500,000 | 0 | 1,000,000 |
| | <u>\$7,500,000</u> | <u>\$6,500,000</u> | <u>\$0</u> | <u>\$1,000,000</u> |
| East Tennessee State University | | | | |
| Softball Field | 330,000 | 0 | 0 | 330,000 |
| Forensic Pathology Facilities Upgrade | 8,500,000 | 0 | 0 | 8,500,000 |
| Fossil Museum at Gray, TN | 11,250,000 | 0 | 0 | 11,250,000 |
| | <u>\$20,080,000</u> | <u>\$0</u> | <u>\$0</u> | <u>\$20,080,000</u> |
| Middle Tennessee State University | | | | |
| Student Health, Wellness & Recreation Facility | 17,000,000 | 17,000,000 | 0 | 0 |
| Parking Master Plan Phase 1 | 6,250,000 | 6,250,000 | 0 | 0 |
| Parking Lots New Construction | 650,000 | 0 | 650,000 | 0 |
| Greek Row Development Phase 2 | 6,400,000 | 6,400,000 | 0 | 0 |
| Student Health Services Refurbishment | 1,200,000 | 0 | 0 | 1,200,000 |
| Physical Plant Relocation (Planning) | 150,000 | 0 | 150,000 | 0 |
| Art Barn Demolition | 500,000 | 0 | 500,000 | 0 |
| | <u>\$32,150,000</u> | <u>\$29,650,000</u> | <u>\$1,300,000</u> | <u>\$1,200,000</u> |
| Tennessee State University | | | | |
| Air Force ROTC Facility Restoration | 1,750,000 | 0 | 0 | 1,750,000 |
| Hankal Hall Renovation | 480,000 | 0 | 0 | 480,000 |
| | <u>\$2,230,000</u> | <u>\$0</u> | <u>\$0</u> | <u>\$2,230,000</u> |
| Tennessee Technological University | | | | |
| Food Services Renovation | 2,850,000 | 0 | 0 | 2,850,000 |
| Challenger Learning Center Complex | 8,970,000 | 0 | 0 | 8,970,000 |
| Nursing & Health Services Building | 16,500,000 | 0 | 0 | 16,500,000 |
| | <u>28,320,000</u> | <u>0</u> | <u>0</u> | <u>28,320,000</u> |
| University of Memphis | | | | |
| North Shelby Facilities Renovations | 2,900,000 | 0 | 0 | 2,900,000 |
| Chemistry Motor Center Switchgear Replacement | 250,000 | 0 | 250,000 | 0 |
| Administration Building Fire Alarm Replacement | 400,000 | 0 | 400,000 | 0 |
| Women's Softball Facility | 2,250,000 | 0 | 0 | 2,250,000 |
| | <u>\$5,800,000</u> | <u>\$0</u> | <u>\$650,000</u> | <u>\$5,150,000</u> |
| Cleveland State Community College | | | | |
| Auditorium Building Renovation & Addition | 1,010,000 | 0 | 0 | 1,010,000 |
| | <u>\$1,010,000</u> | <u>\$0</u> | <u>\$0</u> | <u>\$1,010,000</u> |
| Motlow State Community College | | | | |
| Music Area Construction | 1,000,000 | 0 | 0 | 1,000,000 |
| | <u>\$1,000,000</u> | <u>\$0</u> | <u>\$0</u> | <u>\$1,000,000</u> |
| Nashville State Technical Community College | | | | |
| Maintenance Storage Building | 170,000 | 0 | 170,000 | 0 |
| | <u>\$170,000</u> | <u>\$0</u> | <u>\$170,000</u> | <u>\$0</u> |
| Pellissippi State Technical Community College | | | | |
| Student Recreation Center Expansion | 400,000 | 0 | 0 | 400,000 |
| | <u>\$400,000</u> | <u>\$0</u> | <u>\$0</u> | <u>\$400,000</u> |

**Proposed Capital Projects from School Bonds and Other Sources
Fiscal Year 2003 - 2004**

| | <u>TOTAL</u> | <u>TSSBA</u> | <u>INSTITUTIONAL/ AUXILIARY</u> | <u>OTHER</u> |
|--|------------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|
| Volunteer State Community College | | | | |
| Livingston Campus Upgrade | 100,000 | 0 | 0 | 100,000 |
| Fire Alarm Systems Replacements | 130,000 | 0 | 130,000 | 0 |
| | <u>\$230,000</u> | <u>\$0</u> | <u>\$130,000</u> | <u>\$100,000</u> |
| | | | | |
| Total for Tennessee Board of Regents System | <u>\$110,690,000</u> | <u>\$47,950,000</u> | <u>\$2,250,000</u> | <u>\$60,490,000</u> |
| | | | | |
| University of Tennessee at Chattanooga | | | | |
| Wellness Center | 12,000,000 | 12,000,000 | 0 | 0 |
| | <u>\$12,000,000</u> | <u>\$12,000,000</u> | <u>\$0</u> | <u>\$0</u> |
| | | | | |
| University of Tennessee at Knoxville | | | | |
| Circle Park Information Booth | 125,000 | 0 | 125,000 | 0 |
| Baker Center | 9,000,000 | 0 | 0 | 9,000,000 |
| Melrose Hall Renovation | 300,000 | 0 | 300,000 | 0 |
| Dunford Hall Renovation | 400,000 | 0 | 400,000 | 0 |
| Hoskins Library Renovation | 350,000 | 0 | 350,000 | 0 |
| Ferris Hall Renovation | 210,000 | 0 | 0 | 210,000 |
| Parking Garages Improvements | 1,025,000 | 0 | 1,025,000 | 0 |
| Walters Life Sciences Building Renovations | 230,000 | 0 | 230,000 | 0 |
| Kingston Apartment Renovations | 9,300,000 | 9,300,000 | 0 | 0 |
| Apt. & Residence Hall Roof & Fire System Replacement | 2,950,000 | 2,950,000 | 0 | 0 |
| Clement Hall Elevator Moderization | 1,000,000 | 1,000,000 | 0 | 0 |
| Massey Hall Elevator & Fire System Replacement | 2,000,000 | 2,000,000 | 0 | 0 |
| Morrill Hall Renovations Phase 2 | 3,500,000 | 3,500,000 | 0 | 0 |
| Student Services Building Renovations | 500,000 | 0 | 500,000 | 0 |
| Hill Area Site Improvements | 750,000 | 0 | 750,000 | 0 |
| UTKAG Veterinary School Small Animal Addition | 1,850,000 | 1,850,000 | 0 | 0 |
| UTKAG Cumberland District Office | 660,000 | 0 | 660,000 | 0 |
| | <u>\$34,150,000</u> | <u>\$20,600,000</u> | <u>\$4,340,000</u> | <u>\$9,210,000</u> |
| | | | | |
| University of Tennessee at Martin | | | | |
| Student Housing | 14,500,000 | 14,500,000 | 0 | 0 |
| Electrical Power Generation Plant | 4,400,000 | 4,400,000 | 0 | 0 |
| | <u>\$18,900,000</u> | <u>\$18,900,000</u> | <u>\$0</u> | <u>\$0</u> |
| | | | | |
| Total for University of Tennessee System | <u>\$65,050,000</u> | <u>\$51,500,000</u> | <u>\$4,340,000</u> | <u>\$9,210,000</u> |
| | | | | |
| Grand Total | <u><u>\$175,740,000</u></u> | <u><u>\$99,450,000</u></u> | <u><u>\$6,590,000</u></u> | <u><u>\$69,700,000</u></u> |

Capital Budget

Commonly Used Abbreviations

| | | | |
|--------|---|------------|--|
| AASF | Army Aviation Support Facility | OMS | Organizational Maintenance Shop |
| ADA | American Disabilities Act | OSHA | Occupational Safety & Health Administration |
| ADD | Addition | PSTCC | Pellissippi State Technical Community College |
| AFRC | Armed Forces Reserve Center | REROOF | Replacement Roof |
| APSU | Austin Peay State University | RNOV | Renovation |
| ARNG | Army National Guard | RSCC | Roane State Community College |
| BLDG | Building | SAF | Department of Safety |
| CC | Community College | SCC | State Community College |
| CFCs | Chlorofluorocarbons | SSCC | Shelby State Community College |
| CLSCC | Cleveland State Community College | STCC | State Technical Community College |
| CO | County | SWTCC | Southwest Technical Community College |
| COMM | Communication | SYS | System |
| CONST | Construction | TBR | Tennessee Board of Regents |
| COSCC | Columbia State Community College | TDOT | Tennessee Department of Transportation |
| CSCC | Chattanooga State Community College | THEC | Tennessee Higher Education Commission |
| DCS | Department of Children's Services | THP | Tennessee Highway Patrol |
| DEMO | Demolition | TNARNG | Tennessee Army National Guard |
| DEV | Development | TPS | Tennessee Preparatory School |
| DOC | Department of Correction | TSU | Tennessee State University |
| DSCC | Dyersburg State Community College | TTCs | Tennessee Technology Centers |
| EMS | Energy Management System | TTU | Tennessee Technological University |
| ETSU | East Tennessee State University | TWRA | Tennessee Wildlife Resources Agency |
| HQS | Headquarters | UNIV | University |
| HVAC | Heating, Ventilation & Air Conditioning | UOM | University of Memphis |
| INFO | Information | UT CHS | University of Tennessee Center for Health Sciences |
| LRC | Learning Resource Center | UT MEMPHIS | University of Tennessee at Memphis |
| MHI | Mental Health Institute | UTC | University of Tennessee at Chattanooga |
| MSCC | Motlow State Community College | UTK | University of Tennessee at Knoxville |
| MSTI | Memphis State Technical Institute | UTM | University of Tennessee at Martin |
| MTSU | Middle Tennessee State University | UTS | University of Tennessee System |
| NESTCC | Northeast State Technical Community College | UTSI | University of Tennessee Space Institute |
| NGB | National Guard Bureau | VSCC | Volunteer State Community College |
| NSTCC | Nashville State Technical Community College | WSCC | Walters State Community College |

Facilities Revolving Fund

Recommended Budget, Fiscal Year 2003 - 2004

The Facilities Revolving Fund (FRF) was established in 1988 to provide efficient management of the state office and warehousing facilities. State agencies are charged a fair market rate for the space they occupy. These revenues, along with any necessary current services revenue and reserve funds constitute the operating funds for FRF.

The fund pays for facilities management costs of state owned and leased office and warehouse space. These costs include debt service on buildings financed with bonds, routine and major maintenance, relocation expenses and furniture for state agencies, and payments for leased office space not

owned by the state but occupied by state agencies.

While FRF is administered by the Commissioner of Finance and Administration, the departments of General Services and Finance and Administration manage the daily operations of the fund. General Services operates, maintains, and manages FRF facilities. Finance and Administration constructs and renovates facilities through its Division of Capital Projects and Real Property Management with approval of the State Building Commission. The division also assigns space to agencies, handles lease acquisitions, and provides relocation services and furniture to agencies.

The Department of General Services maintains the daily upkeep of FRF facilities through Operational Maintenance. Items such as contracts for janitorial and security services are funded through this allotment.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> |
|---------------------------------------|-----------------------------|--------------------------------|---------------------------|
| 501.01 Operational Maintenance | | | |
| Payroll | 0 | 0 | 0 |
| Operational | 40,528,100 | 40,961,600 | 40,961,600 |
| Total | \$40,528,100 | \$40,961,600 | \$40,961,600 |
| State | 113,800 | 321,600 | 321,600 |
| Federal | 0 | 0 | 0 |
| Other | 40,414,300 | 40,640,000 | 40,640,000 |

The Department of General Services makes standard repairs and handles regular maintenance of FRF facilities within Project Maintenance. Items such as painting walls, repairing doors, and stopping leaks are paid from this allotment.

501.02 General Services Project Maintenance

| | | | |
|--------------|--------------------|--------------------|--------------------|
| Payroll | 0 | 0 | 0 |
| Operational | 1,751,400 | 1,700,000 | 1,700,000 |
| Total | \$1,751,400 | \$1,700,000 | \$1,700,000 |
| State | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 |
| Other | 1,751,400 | 1,700,000 | 1,700,000 |

The Department of Finance and Administration assigns and leases space to state agencies, negotiates and pays for leases in non-state owned buildings, and pays for moving and furniture expenses, within the Facilities Management allotment.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> |
|-------------------------------------|-----------------------------|--------------------------------|---------------------------|
| 501.03 Facilities Management | | | |
| Payroll | 0 | 0 | 0 |
| Operational | 28,472,400 | 29,271,000 | 29,345,000 |
| Total | \$28,472,400 | \$29,271,000 | \$29,345,000 |
| State | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 |
| Other | 28,472,400 | 29,271,000 | 29,345,000 |

The Department of Finance and Administration's Capital Projects and Real Property Management Division coordinates maintenance and new construction activities for the state-owned buildings in FRF. Included in the recommended FRF Capital Projects budget are funds for statewide maintenance as well as capital outlay projects.

501.04 Capital Projects

| | | | |
|--------------|--------------------|--------------------|--------------------|
| Payroll | 0 | 0 | 0 |
| Operational | 2,871,600 | 3,280,000 | 6,315,000 |
| Total | \$2,871,600 | \$3,280,000 | \$6,315,000 |
| State | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 |
| Other | 2,871,600 | 3,280,000 | 6,315,000 |

501.05 Debt Service

| | | | |
|--------------|---------------------|---------------------|---------------------|
| Payroll | 0 | 0 | 0 |
| Operational | 25,828,800 | 23,212,000 | 21,000,000 |
| Total | \$25,828,800 | \$23,212,000 | \$21,000,000 |
| State | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 |
| Other | 25,828,800 | 23,212,000 | 21,000,000 |

501.00 Facilities Revolving Fund Total

| | | | |
|--------------|---------------------|---------------------|---------------------|
| Payroll | 0 | 0 | 0 |
| Operational | 99,452,300 | 98,424,600 | 99,321,600 |
| Total | \$99,452,300 | \$98,424,600 | \$99,321,600 |
| State | 113,800 | 321,600 | 321,600 |
| Federal | 0 | 0 | 0 |
| Other | 99,338,500 | 98,103,000 | 99,000,000 |

**Proposed Facilities Revolving Fund Capital Appropriations
from Bonds and Current Funds
Fiscal Year 2003 - 2004**

| | <u>COUNTY</u> | <u>TOTAL</u> | <u>FRF CURRENT</u> | <u>BONDS</u> | <u>OTHER</u> |
|---|---------------|----------------------------------|----------------------------------|--------------------------|----------------------------------|
| Capital Maintenance | Statewide | 8,565,000 | 6,265,000 | 0 | 2,300,000 |
| Franklin Drivers License Center Build to Suit | Williamson | 950,000 | 50,000 | 0 | 900,000 |
| Grand Total | | <u><u>\$9,515,000</u></u> | <u><u>\$6,315,000</u></u> | <u><u>\$0</u></u> | <u><u>\$3,200,000</u></u> |

State Taxpayers Budget

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State Taxpayers Budget

The "State Taxpayers Budget" section is included to distinguish between state appropriations from general state taxes and appropriations from dedicated taxes and fees, which are narrowly levied and earmarked for specific purposes.

The "State Taxpayers Budget" excludes the dedicated funds; it reports only appropriations from general state tax sources, along with estimates of the general taxes. The "State Taxpayers Budget" excludes appropriations from dedicated tax and fee sources, all federal revenues, and all other departmental revenues.

This section begins with a departmental summary of state appropriations from general tax sources. The chart entitled "Tennessee Taxpayer Budget, Departmental Summary of State Appropriations," includes this departmental summary information and a grand total for the State Taxpayers Budget appropriations. The chart then shows a single line-item for appropriations from dedicated state tax sources and a grand total state appropriation for the Budget Document, which reconciles to the total state appropriations in the remainder of the Budget Document.

Following the departmental summary of state appropriations is a summary of appropriations from dedicated taxes and fees. This schedule summarizes the various departmental appropriations from dedicated state sources that are excluded from the State Taxpayers Budget. Examples of appropriations from dedicated state sources are the appropriations to the Tennessee Wildlife Resources Agency (TWRA) from hunting and fishing license fees and from real estate transfer taxes supporting the Wetlands Acquisition Fund, administered by TWRA, and appropriations to regulatory agencies from fees imposed on health professions, other professions, banks, and environment-impacting industries.

The third schedule in this section is a

more detailed breakdown of the state appropriations from general tax sources. "State Taxpayers Budget, State Appropriations by Program," itemizes these appropriations by program. As with the departmental summary, this schedule includes a single line item for appropriations from dedicated sources to balance to the total state appropriations elsewhere in the Budget Document.

The tax revenue estimates recommended in the State Taxpayers Budget follow the appropriations by program. The chart entitled "State Taxpayers Budget, Comparison Statement of State Revenues," includes taxes collected by the Department of Revenue (the major taxes) as well as those collected and deposited to the General Fund by other line agencies in conjunction with carrying out their programs. This chart excludes taxes and fees collected and deposited in the General Fund which are earmarked or dedicated for specific use. Distributions of taxes by fund for last year, the current year, and next year are on the following three charts.

In the appropriation comparison charts, the 2003-2004 estimates for the Cities and Counties Fund (state-shared taxes) and Department of Transportation appropriations reflect a recommended base budget reduction, with the funds being redirected to the General Fund. Therefore, the 2003-2004 Cities and Counties Fund and Department of Transportation appropriations are lower than the tax estimates for the Cities and Counties Fund and Highway Fund in the "State Revenues" tax distribution charts.

Except for the "State Taxpayers Budget" and a chart summarizing base budget reductions from a discretionary base, all of the other summary charts and program statements in this Budget Document that deal with appropriations include appropriations from all state sources, both general taxes and dedicated taxes and fees.

State Taxpayers Budget
Departmental Summary of State Appropriations *
Fiscal Years 2001-2002, 2002-2003, and 2003-2004

| | | Actual Expenditures 2001-2002 * | Estimated 2002-2003 | Recommended 2003-2004 |
|--|--|--|--------------------------------|----------------------------------|
| General Fund and Education Fund | | | | |
| 301 | Legislature | \$ 25,584,100 | \$ 29,563,100 | \$ 27,405,800 |
| 302 | Court System | 70,280,800 | 78,243,400 | 77,848,400 |
| 303 | Attorney General and Reporter | 13,016,300 | 15,513,500 | 15,130,400 |
| 304 | District Attorneys General Conference | 41,858,900 | 44,710,200 | 43,655,100 |
| 305 | Secretary of State | 16,331,900 | 23,852,600 | 23,156,700 |
| 306 | District Public Defenders Conference | 24,601,200 | 26,350,600 | 25,779,300 |
| 307 | Comptroller of the Treasury | 39,405,000 | 45,512,100 | 42,223,200 |
| 308 | Office of the Post-Conviction Defender | 918,800 | 856,700 | 1,061,300 |
| 309 | Treasury Department | 58,900 | 590,200 | 136,000 |
| 315 | Executive Department | 3,584,100 | 5,090,600 | 4,510,300 |
| 316 | Commissions | 18,231,100 | 21,679,800 | 19,184,800 |
| 317 | Finance and Administration (F&A) | 5,884,000 | 13,018,400 | 10,190,900 |
| 318 | F&A - TennCare Program | 1,902,098,600 | 1,900,977,500 | 2,228,079,000 |
| 319 | Personnel | 3,370,500 | 4,684,400 | 4,297,700 |
| 321 | General Services | 2,733,800 | 6,305,800 | 6,120,700 |
| 323 | Veterans Affairs | 2,390,200 | 2,676,000 | 2,410,600 |
| 324 | Board of Probation and Parole | 50,954,800 | 54,461,200 | 50,372,700 |
| 325 | Agriculture | 31,521,200 | 36,871,500 | 32,810,800 |
| 326 | Tourist Development | 7,775,100 | 8,291,800 | 7,419,000 |
| 327 | Environment and Conservation | 57,672,600 | 66,443,500 | 60,976,800 |
| 329 | Correction | 433,996,000 | 491,156,900 | 489,525,400 |
| 330 | Economic and Community Development | 30,340,800 | 32,390,600 | 30,975,500 |
| 331 | Education | 2,589,094,500 | 2,710,666,400 | 2,768,913,400 |
| 332 | Higher Education | 1,095,823,400 | 1,153,988,100 | 1,046,160,900 |
| 335 | Commerce and Insurance | 4,339,500 | 12,157,100 | 10,384,300 |
| 337 | Labor and Workforce Development | 12,486,200 | 19,034,100 | 17,603,100 |
| 339 | Mental Health and Developmental Disabilities | 90,422,000 | 104,449,400 | 105,865,900 |
| 339.21 | F&A - Mental Retardation | 71,565,100 | 76,506,300 | 87,312,100 |
| 341 | Military | 9,971,500 | 9,246,500 | 9,324,100 |
| 343 | Health | 67,637,500 | 83,000,100 | 75,245,500 |
| 345 | Human Services | 149,074,400 | 165,313,100 | 152,003,600 |
| 347 | Revenue | 40,015,700 | 46,194,200 | 41,402,600 |
| 348 | Tennessee Bureau of Investigation | 24,413,400 | 27,493,600 | 24,933,700 |
| 349 | Safety | 97,212,900 | 115,270,000 | 109,767,700 |
| 351 | Miscellaneous Appropriations | 22,061,100 | 30,531,100 | 143,040,800 |
| 353 | Emergency and Contingency Fund | - | 819,300 | 819,300 |
| 355 | State Building Commission | 245,100 | 250,000 | 250,000 |
| 359 | Children's Services | 246,288,300 | 255,124,800 | 258,709,100 |
| Subtotal General Fund and Education Fund | | \$7,303,259,300 | \$7,719,284,500 | \$8,055,006,500 |
| | Transportation | \$ 747,985,000 ** | \$ 669,750,000 | \$ 622,850,000 |
| | Debt Service Requirements | 247,527,000 | 236,171,000 | 232,360,000 |
| | Capital Outlay Program | 115,576,000 ** | 27,913,000 | - |
| | Facilities Revolving Fund | 113,800 | 321,600 | 321,600 |
| | Cities and Counties - State Shared Taxes | 650,202,000 | 656,800,000 | 613,600,000 |
| Grand Total State Taxpayers Budget | | \$9,064,663,100 | \$9,310,240,100 | \$9,524,138,100 |
| | Dedicated Tax Sources - Appropriation | \$ 212,551,900 | \$ 255,679,900 | \$ 261,860,600 |
| Grand Total State Appropriation - Budget Document | | \$9,277,215,000 | \$9,565,920,000 | \$9,785,998,700 |

* FY 2001-2002 is actual expenditures from appropriations, except as noted. State Taxpayers Budget excludes appropriations from dedicated tax sources, federal revenues, and all other departmental revenues.

** FY 2001-2002 - Transportation and Capital Outlay include appropriations from tax revenues and bonds.

**Departmental Summary of Appropriations
from Dedicated Taxes and Fees: ***
Amounts Excluded from State Taxpayers Budget
Fiscal Years 2001-2002, 2002-2003, and 2003-2004

| | <u>Actual 2001-2002 *</u> | <u>Estimated 2002-2003</u> | <u>Recommended 2003-2004</u> |
|--|-------------------------------|--------------------------------|----------------------------------|
| 302 Court System | \$ 3,907,700 | \$ 7,386,400 | \$ 7,386,400 |
| 313 Claims and Compensation | 8,270,700 | 8,245,300 | 8,125,500 |
| 316.07 Health Services and Development Agency | 559,700 | 1,257,400 | 1,257,400 |
| 316.11 Tennessee Regulatory Authority | 6,401,900 | 7,617,500 | 7,588,600 |
| 316.25 Arts Commission | 2,275,000 | 2,000,000 | 2,000,000 |
| 317 Finance and Administration | 1,250,100 | 1,896,100 | 1,896,100 |
| 324 Board of Probation and Parole | 1,835,200 | 2,829,700 | 3,557,800 |
| 325 Agriculture | 19,938,600 | 22,864,000 | 23,725,100 |
| 327 Environment and Conservation | 65,678,700 | 76,872,800 | 77,509,300 |
| 328 Wildlife Resources Agency | 39,127,700 | 42,251,200 | 40,243,400 |
| 329 Correction | 93,400 | 81,500 | 81,500 |
| 330 Economic and Community Development | 8,659,100 | - | - |
| 331 Education | 1,675,000 | 1,895,000 | 1,895,000 |
| 335 Commerce and Insurance | 25,238,300 | 41,017,600 | 40,783,900 |
| 336 Financial Institutions | 4,187,800 | 5,492,500 | 5,492,500 |
| 337 Labor and Workforce Development | 5,231,400 | 5,452,900 | 5,452,900 |
| 343 Health | 16,737,100 | 20,992,100 | 23,237,300 |
| 349 Safety | 915,300 | 6,142,600 | 10,242,600 |
| 359 Children's Services | 569,200 | 1,385,300 | 1,385,300 |
| Total Appropriations from Dedicated Tax Sources | \$ 212,551,900 | \$ 255,679,900 | \$ 261,860,600 |

* FY 2001-2002 is actual expenditures from appropriations.

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2001-2002, 2002-2003, and 2003-2004

| Program | Actual Expenditures 2001-2002 * | Estimated 2002-2003 | Recommended 2003-2004 |
|--|---------------------------------------|------------------------|--------------------------|
| Legislature | | | |
| 301.01 Legislative Administration Services | 3,798,900 | 4,485,700 | 4,094,000 |
| 301.07 House of Representatives | 10,338,000 | 11,594,700 | 11,566,100 |
| 301.08 State Senate | 5,668,000 | 6,095,600 | 6,067,000 |
| 301.13 General Assembly Committees | 452,000 | 585,700 | 479,100 |
| 301.16 General Assembly Support Services | 4,496,300 | 5,938,800 | 4,408,300 |
| 301.17 Tennessee Code Commission | 68,600 | 69,600 | 69,600 |
| 301.50 Fiscal Review Committee | 762,300 | 793,000 | 721,700 |
| 301.00 Subtotal Legislature | 25,584,100 | 29,563,100 | 27,405,800 |
| Court System | | | |
| 302.01 Appellate and Trial Courts | 41,025,200 | 42,311,600 | 42,642,500 |
| 302.05 Supreme Court Buildings | 1,873,900 | 1,927,500 | 1,927,500 |
| 302.08 Child Support Referees | 317,400 | 370,700 | 370,700 |
| 302.09 Guardian ad Litem | 977,400 | 1,477,700 | 1,477,700 |
| 302.10 Indigent Defendants' Counsel | 14,892,500 | 16,893,900 | 16,893,900 |
| 302.11 Civil Legal Representation Fund | - | - | - |
| 302.12 Verbatim Transcripts | 3,293,100 | 3,403,500 | 3,403,500 |
| 302.15 Tennessee State Law Libraries | 572,200 | 524,900 | 524,900 |
| 302.18 Judicial Conference | 45,600 | 50,000 | - |
| 302.20 Judicial Programs and Commissions | 315,100 | 465,100 | 440,100 |
| 302.22 State Court Clerks' Conference | - | - | - |
| 302.27 Administrative Office of the Courts | 6,968,400 | 10,488,300 | 9,867,400 |
| 302.30 Appellate Court Clerks | - | 330,200 | 300,200 |
| 302.00 Subtotal Court System | 70,280,800 | 78,243,400 | 77,848,400 |
| Attorney General and Reporter | | | |
| 303.01 Attorney General and Reporter | 12,706,400 | 15,135,500 | 14,802,400 |
| 303.05 Publication of Tennessee Reports | 186,200 | 189,500 | 139,500 |
| 303.08 Special Litigation | 123,700 | 188,500 | 188,500 |
| 303.00 Subtotal Attorney General and Reporter | 13,016,300 | 15,513,500 | 15,130,400 |
| District Attorneys General Conference | | | |
| 304.01 District Attorneys General | 40,687,000 | 43,380,400 | 42,348,600 |
| 304.05 District Attorneys General Conference | 170,800 | 248,400 | 197,500 |
| 304.10 Executive Director | 1,001,100 | 1,081,400 | 1,109,000 |
| 304.00 Subtotal District Attorneys General Conference | 41,858,900 | 44,710,200 | 43,655,100 |
| Secretary of State | | | |
| 305.01 Secretary of State | 4,248,900 | 8,118,800 | 8,106,200 |
| 305.02 State Election Commission | 1,793,500 | 1,823,800 | 1,669,900 |
| 305.03 Public Documents | 276,900 | 387,700 | 387,700 |
| 305.04 State Library and Archives | 5,393,900 | 6,149,800 | 5,823,800 |
| 305.05 Regional Library System | 4,279,400 | 6,945,400 | 6,752,000 |
| 305.07 Registry of Election Finance | 247,100 | 329,300 | 321,300 |
| 305.08 Economic Council on Women | 92,200 | 97,800 | 95,800 |
| 305.00 Subtotal Secretary of State | 16,331,900 | 23,852,600 | 23,156,700 |
| District Public Defenders Conference | | | |
| 306.01 District Public Defenders | 19,861,700 | 21,482,900 | 21,095,600 |
| 306.03 Executive Director | 664,900 | 743,000 | 662,100 |

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2001-2002, 2002-2003, and 2003-2004

| Program | Actual Expenditures 2001-2002 * | Estimated 2002-2003 | Recommended 2003-2004 |
|---|--|--------------------------------|----------------------------------|
| 306.10 Shelby County Public Defender | 2,730,400 | 2,764,000 | 2,694,900 |
| 306.12 Davidson County Public Defender | 1,344,200 | 1,360,700 | 1,326,700 |
| 306.00 Subtotal District Public Defenders Conference | 24,601,200 | 26,350,600 | 25,779,300 |
| Comptroller of the Treasury | | | |
| 307.01 Division of Administration | 538,500 | 635,800 | 635,800 |
| 307.02 Office of Management Services | 3,828,400 | 5,488,300 | 5,286,000 |
| 307.04 Division of State Audit | 6,976,400 | 8,502,700 | 8,227,700 |
| 307.05 Division of County Audit | 5,200,600 | 5,696,000 | 3,731,000 |
| 307.06 Division of Municipal Audit | 1,056,000 | 1,283,200 | 1,221,200 |
| 307.07 Division of Bond Finance | 263,000 | 320,500 | 320,500 |
| 307.08 Office of Local Government | 230,800 | 298,900 | 298,900 |
| 307.09 Division of Property Assessments | 6,500,400 | 7,828,000 | 7,608,500 |
| 307.10 Tax Relief | 9,979,100 | 10,000,000 | 10,000,000 |
| 307.11 State Board of Equalization | 2,859,000 | 3,044,700 | 2,479,600 |
| 307.12 Division of Local Finance | 299,000 | 341,300 | 341,300 |
| 307.14 Offices of Research and Education Accountability | 1,056,400 | 1,233,900 | 1,233,900 |
| 307.15 Office of State Assessed Properties | 617,400 | 838,800 | 838,800 |
| 307.00 Subtotal Comptroller of the Treasury | 39,405,000 | 45,512,100 | 42,223,200 |
| 308.00 Office of the Post-Conviction Defender | 918,800 | 856,700 | 1,061,300 |
| Treasury Department | | | |
| 309.01 Treasury Department | - | 530,000 | 81,200 |
| 309.02 Certified Public Administrators | 58,900 | 60,200 | 54,800 |
| 309.00 Subtotal Treasury Department | 58,900 | 590,200 | 136,000 |
| Executive Department | | | |
| 315.01 Governor's Office | 2,968,500 | 3,669,900 | 3,339,600 |
| 315.02 Intergovernmental Conferences | 364,600 | 393,000 | 393,000 |
| 315.04 Gubernatorial Transition Office | - | 250,000 | - |
| 315.05 Office of Homeland Security | 251,000 | 777,700 | 777,700 |
| 315.00 Subtotal Executive Department | 3,584,100 | 5,090,600 | 4,510,300 |
| Commissions | | | |
| 316.01 Commission on Children and Youth | 1,422,900 | 1,695,300 | 1,542,700 |
| 316.02 Commission on Aging and Disability | 9,402,500 | 9,526,500 | 8,669,100 |
| 316.03 Alcoholic Beverage Commission | 1,060,500 | 2,094,700 | 1,684,800 |
| 316.04 Human Rights Commission | 983,700 | 1,489,400 | 1,355,400 |
| 316.09 Corrections Institute | 540,000 | 662,800 | 598,200 |
| 316.10 Council of Juvenile and Family Court Judges | 346,700 | 457,900 | 416,700 |
| 316.12 Advisory Commission on Intergovernmental Relations | 5,400 | 470,900 | 280,000 |
| 316.25 Arts Commission | 2,148,900 | 2,373,600 | 1,980,000 |
| 316.27 State Museum | 2,320,500 | 2,508,700 | 2,282,900 |
| 316.31 Tax Structure Study Commission | - | 400,000 | 375,000 |
| 316.00 Subtotal Commissions | 18,231,100 | 21,679,800 | 19,184,800 |
| Finance and Administration | | | |
| 317.01 Division of Administration | 911,900 | 1,459,900 | 1,155,600 |
| 317.02 Division of Budget | 1,844,400 | 4,851,200 | 2,870,800 |

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2001-2002, 2002-2003, and 2003-2004

| Program | Actual Expenditures 2001-2002 * | Estimated 2002-2003 | Recommended 2003-2004 |
|--|--|--------------------------------|----------------------------------|
| 317.03 Office of Information Resources | - | 2,500,000 | 2,275,000 |
| 317.06 Criminal Justice Programs | 199,900 | 414,600 | 414,400 |
| 317.07 Resource Development and Support | 728,400 | 949,900 | 866,700 |
| 317.10 Capital Projects and Real Property Management | 2,064,400 | 2,627,500 | 2,393,100 |
| 317.11 National and Community Service | 135,000 | 215,300 | 215,300 |
| 317.00 Subtotal Finance and Administration | 5,884,000 | 13,018,400 | 10,190,900 |
| Finance and Administration - TennCare Program | | | |
| 318.65 TennCare Administration | 74,382,100 | 69,417,300 | 71,653,800 |
| 318.66 TennCare Services | 1,222,248,700 | 1,214,831,500 | 1,505,518,200 |
| 318.67 Waiver and Crossover Services | 161,489,200 | 216,786,600 | 235,515,000 |
| 318.68 Long Term Care Services | 443,978,600 | 399,942,100 | 415,392,000 |
| 318.00 Subtotal Finance and Administration - TennCare Program | 1,902,098,600 | 1,900,977,500 | 2,228,079,000 |
| Personnel | | | |
| 319.01 Executive Administration | 1,855,600 | 1,886,900 | 1,532,000 |
| 319.02 Human Resource Development | 154,100 | 838,200 | 846,100 |
| 319.03 Technical Services | 1,360,800 | 1,959,300 | 1,919,600 |
| 319.00 Subtotal Personnel | 3,370,500 | 4,684,400 | 4,297,700 |
| General Services | | | |
| 321.01 Administration | 520,400 | 548,600 | 476,000 |
| 321.04 Property Utilization | 160,900 | - | - |
| 321.06 Motor Vehicle Management | 380,400 | 4,250,000 | 4,219,100 |
| 321.07 Property Management | 1,450,100 | 1,485,200 | 1,403,600 |
| 321.09 Printing | 200,000 | - | - |
| 321.10 Purchasing | 22,000 | 22,000 | 22,000 |
| 321.00 Subtotal General Services | 2,733,800 | 6,305,800 | 6,120,700 |
| 323.00 Veterans Affairs | 2,390,200 | 2,676,000 | 2,410,600 |
| Board of Probation and Parole | | | |
| 324.02 Probation and Parole Services | 42,240,100 | 45,207,700 | 41,810,700 |
| 324.04 Community Correction | 8,714,700 | 9,253,500 | 8,562,000 |
| 324.00 Subtotal Board of Probation and Parole | 50,954,800 | 54,461,200 | 50,372,700 |
| Agriculture | | | |
| 325.01 Administration and Grants | 8,769,000 | 9,306,100 | 8,549,000 |
| 325.05 Regulatory Services | 5,886,900 | 7,754,300 | 6,499,600 |
| 325.06 Market Development | 1,635,200 | 2,182,100 | 1,988,600 |
| 325.10 Forestry Operations | 15,071,600 | 17,470,500 | 15,615,100 |
| 325.11 Forestry Maintenance | 158,500 | 158,500 | 158,500 |
| 325.00 Subtotal Agriculture | 31,521,200 | 36,871,500 | 32,810,800 |
| Tourist Development | | | |
| 326.01 Administration and Marketing | 7,773,100 | 8,291,800 | 7,419,000 |
| 326.03 Welcome Centers | 2,000 | - | - |
| 326.00 Subtotal Tourist Development | 7,775,100 | 8,291,800 | 7,419,000 |

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2001-2002, 2002-2003, and 2003-2004

| Program | Actual Expenditures 2001-2002 * | Estimated 2002-2003 | Recommended 2003-2004 |
|---|---------------------------------------|------------------------|--------------------------|
| Environment and Conservation | | | |
| 327.01 Administrative Services | 5,032,900 | 5,924,300 | 5,576,500 |
| 327.03 Conservation Administration | 687,000 | 606,900 | 496,100 |
| 327.04 Historical Commission | 860,500 | 1,362,200 | 1,289,300 |
| 327.08 Archaeology | 484,000 | 513,600 | 444,000 |
| 327.11 Geology | 1,148,300 | 1,329,200 | 1,139,600 |
| 327.12 Tennessee State Parks | 23,497,600 | 27,395,400 | 26,481,200 |
| 327.14 Natural Heritage | 661,000 | 739,100 | 650,700 |
| 327.15 State Parks Maintenance | 2,826,600 | 3,648,500 | 3,400,600 |
| 327.18 Maintenance of Historic Sites | 172,300 | 200,000 | 185,000 |
| 327.24 West Tennessee River Basin Authority Maintenance | - | - | 500,000 |
| 327.26 West Tennessee River Basin Authority | 711,800 | 762,000 | 682,600 |
| 327.30 Environment Administration | 1,752,500 | 1,602,700 | 1,303,700 |
| 327.31 Air Pollution Control | 1,217,000 | 1,665,900 | 1,140,400 |
| 327.32 Radiological Health | 276,800 | 386,800 | 360,600 |
| 327.33 Community Assistance | 7,155,400 | 7,457,600 | 6,180,600 |
| 327.34 Water Pollution Control | 4,758,000 | 5,336,500 | 4,710,600 |
| 327.35 Solid Waste Management | 1,848,900 | 2,131,000 | 1,547,600 |
| 327.38 Hazardous Waste Remedial Action Fund | 1,052,000 | 1,065,800 | 1,000,000 |
| 327.39 Water Supply | 380,700 | 963,900 | 702,000 |
| 327.40 Groundwater Protection | 3,149,300 | 3,352,100 | 3,185,700 |
| 327.00 Subtotal Environment and Conservation | 57,672,600 | 66,443,500 | 60,976,800 |
| Correction | | | |
| 329.01 Administration | 8,257,600 | 10,935,400 | 12,267,200 |
| 329.04 State Prosecutions | 116,447,400 | 113,557,200 | 100,355,200 |
| 329.06 Correction Academy | 3,873,000 | 4,034,600 | 3,876,500 |
| 329.08 Wayne County Boot Camp | 6,986,700 | 8,260,200 | 8,137,300 |
| 329.11 Brushy Mountain Correctional Complex | 28,266,500 | 30,891,200 | 30,276,700 |
| 329.13 Tennessee Prison for Women | 12,670,300 | 15,758,400 | 15,165,400 |
| 329.14 Turney Center Industrial Prison and Farm | 18,042,500 | 19,486,400 | 19,408,300 |
| 329.16 Mark Luttrell Correctional Facility | 9,490,300 | 10,993,800 | 10,611,600 |
| 329.17 Middle Tennessee Correctional Complex | 19,511,200 | 21,952,800 | 21,449,700 |
| 329.18 Southeastern Tenn. State Regional Corr. Facility | 16,239,100 | 17,277,400 | 17,204,800 |
| 329.21 Hardeman County Incarceration Agreement | 30,403,400 | 31,373,800 | 31,698,600 |
| 329.22 Hardeman County Agreement - Whiteville | - | 10,241,800 | 25,077,000 |
| 329.32 Major Maintenance | 3,555,600 | 3,443,000 | 3,493,000 |
| 329.41 West Tennessee State Penitentiary | 37,574,100 | 42,106,300 | 41,477,600 |
| 329.42 Riverbend Maximum Security Institution | 17,065,800 | 18,954,200 | 18,187,600 |
| 329.43 Northeast Correctional Complex | 25,997,500 | 29,324,100 | 29,040,500 |
| 329.44 South Central Correctional Center | 22,434,400 | 22,706,800 | 23,930,100 |
| 329.45 Northwest Correctional Complex | 33,458,000 | 36,884,300 | 36,659,900 |
| 329.46 Lois M. DeBerry Special Needs Facility | 23,722,600 | 26,700,700 | 26,881,200 |
| 329.99 Sentencing Act of 1985 | - | 16,274,500 | 14,327,200 |
| 329.00 Subtotal Correction | 433,996,000 | 491,156,900 | 489,525,400 |
| Economic and Community Development | | | |
| 330.01 Administrative Services | 3,465,200 | 4,224,700 | 5,651,300 |
| 330.02 Industrial Development | 5,145,900 | 5,054,800 | 3,358,600 |
| 330.04 Regional Grants Management | 1,739,200 | 1,771,200 | 1,676,700 |
| 330.05 Business Services | 1,244,900 | 1,275,200 | 1,199,700 |

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2001-2002, 2002-2003, and 2003-2004

| Program | Actual Expenditures 2001-2002 * | Estimated 2002-2003 | Recommended 2003-2004 |
|---|---------------------------------------|------------------------|--------------------------|
| 330.06 Tennessee Industrial Infrastructure Program (TIIP) | 14,096,800 | 14,500,000 | 13,600,000 |
| 330.07 Community Development | 2,505,700 | 3,168,000 | 3,122,500 |
| 330.08 Energy Division | 48,800 | 41,900 | 11,900 |
| 330.09 Industrial Training Service | 2,094,300 | 2,354,800 | 2,354,800 |
| 330.00 Subtotal Economic and Community Development | 30,340,800 | 32,390,600 | 30,975,500 |
| Education | | | |
| 331.01 Administration | 6,374,400 | 6,871,000 | 6,504,200 |
| 331.02 Grants-In-Aid | 4,108,600 | 4,108,600 | 3,751,000 |
| 331.04 Technology, Infrastructure, and Support Systems | 2,518,300 | 2,732,000 | 2,632,000 |
| 331.05 Training and Professional Development | 4,765,400 | 9,420,600 | 8,022,400 |
| 331.06 Curriculum and Instruction | 2,135,400 | 3,381,400 | 3,036,100 |
| 331.07 State Board of Education | 529,200 | 650,300 | 630,300 |
| 331.09 Improving School Programs | 8,697,600 | 9,226,900 | 8,944,000 |
| 331.10 Career Ladder | 90,608,000 | 94,000,000 | 63,000,000 |
| 331.11 Accountability | 7,631,800 | 16,787,100 | 15,635,300 |
| 331.25 BEP and Other LEA Support | 2,417,463,700 | 2,515,514,300 | 2,609,157,000 |
| 331.35 School Nutrition Programs | 4,860,100 | 4,997,100 | 4,805,500 |
| 331.36 Special Education Services | 501,800 | 524,900 | 524,900 |
| 331.43 Driver Education | - | - | - |
| 331.45 Vocational Education Programs | 3,212,800 | 4,006,400 | 3,588,000 |
| 331.90 Alvin C. York Institute | 3,502,100 | 3,723,400 | 3,773,600 |
| 331.91 Tennessee School for the Blind | 7,440,200 | 8,010,400 | 8,094,100 |
| 331.92 Tennessee School for the Deaf | 10,256,400 | 11,284,500 | 11,348,200 |
| 331.93 West Tennessee School for the Deaf | 1,630,200 | 1,780,000 | 1,792,300 |
| 331.95 Tennessee Infant-Parent Services School | 12,664,900 | 13,408,400 | 13,435,400 |
| 331.97 Major Maintenance | 193,600 | 239,100 | 239,100 |
| 331.00 Subtotal Education | 2,589,094,500 | 2,710,666,400 | 2,768,913,400 |
| Higher Education - State Administered Programs | | | |
| 332.01 Tennessee Higher Education Commission | 1,682,700 | 2,053,900 | 1,877,600 |
| 332.02 Contract Education | 2,375,100 | 2,500,200 | 2,290,100 |
| 332.03 Tennessee Student Assistance Awards | 36,356,000 | 45,429,200 | 41,208,500 |
| 332.04 Federal Family Education Loan Program (FFELP) | 21,891,100 | - | - |
| 332.05 Tennessee Student Assistance Corporation | 924,100 | 1,358,700 | 1,239,600 |
| 332.06 Academic Scholars Program | 251,800 | 251,800 | 251,800 |
| 332.07 Loan/Scholarship Programs | 1,137,000 | 1,191,000 | 1,191,000 |
| 332.08 Centers of Excellence | 17,520,200 | 18,707,600 | 17,024,300 |
| 332.09 THEC Grants | 2,691,100 | 2,757,700 | 2,509,600 |
| 332.11 Campus Centers of Emphasis | 1,256,200 | 1,343,700 | 1,222,700 |
| 332.13 Geier Desegregation Settlement | 3,788,200 | 16,765,000 | 11,265,000 |
| 332.14 Foreign Language Institute | 270,200 | 298,500 | 271,700 |
| 332.00 Subtotal Higher Education - State Administered Programs | 90,143,700 | 92,657,300 | 80,351,900 |
| University of Tennessee System | | | |
| 332.10 UT University-Wide Administration | 3,184,800 | 3,249,500 | 2,961,000 |
| 332.15 UT Institute for Public Service | 4,801,900 | 4,941,800 | 4,498,200 |
| 332.16 UT Municipal Technical Advisory Service | 1,462,500 | 1,535,800 | 1,431,400 |
| 332.17 UT County Technical Assistance Service | 1,102,600 | 1,161,300 | 1,023,200 |
| 332.23 UT Space Institute | 7,355,600 | 7,558,100 | 6,877,600 |

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2001-2002, 2002-2003, and 2003-2004

| Program | Actual Expenditures 2001-2002 * | Estimated 2002-2003 | Recommended 2003-2004 |
|--|--|--------------------------------|----------------------------------|
| 332.25 UT Agricultural Experiment Station | 20,721,500 | 21,470,100 | 19,538,900 |
| 332.26 UT Agricultural Extension Service | 24,367,100 | 25,276,400 | 23,006,000 |
| 332.28 UT Veterinary Medicine | 13,153,400 | 13,998,300 | 12,738,400 |
| 332.30 UT Memphis | 55,717,100 | 59,740,400 | 54,359,000 |
| 332.32 UT Family Medicine | 6,011,000 | 6,523,800 | 5,936,600 |
| 332.34 UT College of Medicine | 40,499,000 | 43,135,200 | 39,247,400 |
| 332.40 UT Chattanooga | 39,020,600 | 40,274,600 | 36,654,600 |
| 332.42 UT Knoxville | 160,674,100 | 166,870,300 | 151,851,500 |
| 332.44 UT Martin | 27,208,000 | 28,521,700 | 25,958,900 |
| 332.10 Subtotal University of Tennessee System | 405,279,200 | 424,257,300 | 386,082,700 |
| State University and Community College System | | | |
| 332.53 Southwest Tennessee Community College | 35,333,800 | 36,410,000 | 33,132,500 |
| 332.54 Nashville State Technical Community College | 12,601,000 | 13,565,300 | 12,340,500 |
| 332.55 Pellissippi State Technical Community College | 18,070,000 | 18,948,400 | 17,242,700 |
| 332.56 Northeast State Technical Community College | 9,757,500 | 10,978,600 | 9,990,300 |
| 332.60 Tennessee Board of Regents | 3,799,300 | 3,957,900 | 3,601,600 |
| 332.62 TSU McMinnville Center | 470,500 | 480,300 | 437,000 |
| 332.65 ETSU College of Medicine | 23,274,300 | 24,617,600 | 22,401,600 |
| 332.67 ETSU Family Practice | 4,065,000 | 4,356,200 | 3,964,100 |
| 332.70 Austin Peay State University | 29,653,800 | 31,288,800 | 28,472,300 |
| 332.72 East Tennessee State University | 51,002,200 | 54,127,600 | 49,255,300 |
| 332.74 University of Memphis | 100,558,400 | 107,006,200 | 97,374,100 |
| 332.75 Middle Tennessee State University | 78,302,100 | 85,686,500 | 77,973,300 |
| 332.77 Tennessee State University | 37,208,500 | 38,513,900 | 35,047,000 |
| 332.78 Tennessee Technological University | 41,124,600 | 43,029,200 | 39,155,400 |
| 332.80 Chattanooga State Technical Community College | 21,302,200 | 21,985,900 | 20,006,800 |
| 332.81 Cleveland State Community College | 9,315,100 | 9,603,300 | 8,738,800 |
| 332.82 Columbia State Community College | 11,320,400 | 11,926,900 | 10,857,000 |
| 332.84 Dyersburg State Community College | 5,999,500 | 6,353,200 | 5,781,300 |
| 332.86 Jackson State Community College | 10,513,600 | 11,222,800 | 10,212,600 |
| 332.88 Motlow State Community College | 8,549,600 | 9,285,900 | 8,450,000 |
| 332.90 Roane State Community College | 15,924,400 | 16,565,800 | 15,074,600 |
| 332.94 Volunteer State Community College | 15,711,500 | 16,287,100 | 14,821,100 |
| 332.96 Walters State Community College | 15,598,700 | 16,528,900 | 15,041,100 |
| 332.98 Tennessee Technology Centers | 40,944,500 | 44,347,200 | 40,355,300 |
| 332.60 Subtotal State University and Community College System | 600,400,500 | 637,073,500 | 579,726,300 |
| Total Higher Education | 1,095,823,400 | 1,153,988,100 | 1,046,160,900 |
| Commerce and Insurance | | | |
| 335.02 Insurance | - | 4,021,500 | 3,309,700 |
| 335.03 Fire Prevention | - | 68,800 | 55,800 |
| 335.06 Consumer Affairs | 654,200 | 739,900 | 704,100 |
| 335.07 Fire and Codes Enforcement Academy | 1,188,900 | 4,810,200 | 4,007,200 |
| 335.28 Fire Fighting Personnel Standards and Education | 2,496,400 | 2,516,700 | 2,307,500 |
| 335.00 Subtotal Commerce and Insurance | 4,339,500 | 12,157,100 | 10,384,300 |
| Labor and Workforce Development | | | |
| 337.01 Administration | 1,073,500 | 3,503,800 | 2,072,800 |

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2001-2002, 2002-2003, and 2003-2004

| Program | Actual Expenditures 2001-2002 * | Estimated 2002-2003 | Recommended 2003-2004 |
|--|---------------------------------------|------------------------|--------------------------|
| 337.02 Tenn. Occupational Safety & Health Administration | 2,815,900 | 4,095,200 | 4,095,200 |
| 337.03 Workers' Compensation | 4,427,500 | 6,528,400 | 6,528,400 |
| 337.04 Mines | 229,100 | 370,900 | 370,900 |
| 337.06 Labor Standards | 728,300 | 1,008,700 | 1,008,700 |
| 337.09 Adult Basic Education | 2,947,300 | 3,227,100 | 3,227,100 |
| 337.11 Employment Development | 264,600 | 300,000 | 300,000 |
| 337.00 Subtotal Labor and Workforce Development | 12,486,200 | 19,034,100 | 17,603,100 |
| Mental Health and Developmental Disabilities | | | |
| 339.01 Administrative Services Division | 5,351,200 | 8,204,900 | 7,573,600 |
| 339.05 Mental Health Services Administration | 1,840,600 | 2,118,200 | 1,975,300 |
| 339.08 Community Mental Health Services | 34,660,700 | 43,035,000 | 42,993,500 |
| 339.10 Lakeshore Mental Health Institute | 10,665,900 | 11,596,200 | 11,604,700 |
| 339.11 Middle Tennessee Mental Health Institute | 12,558,200 | 10,978,200 | 12,142,400 |
| 339.12 Western Mental Health Institute | 9,071,300 | 10,603,700 | 10,737,300 |
| 339.16 Moccasin Bend Mental Health Institute | 7,129,400 | 7,659,400 | 8,183,000 |
| 339.17 Memphis Mental Health Institute | 8,704,600 | 9,503,800 | 9,906,100 |
| 339.40 Major Maintenance | 440,100 | 750,000 | 750,000 |
| 339.00 Subtotal Mental Health and Developmental Disabilities | 90,422,000 | 104,449,400 | 105,865,900 |
| Finance and Administration - Mental Retardation | | | |
| 339.21 Mental Retardation Administration | 7,747,900 | 2,807,300 | 3,120,300 |
| 339.22 Developmental Disabilities Council | 70,300 | 144,900 | 144,900 |
| 339.23 Community Mental Retardation Services | 51,503,100 | 58,073,100 | 67,468,500 |
| 339.25 West Tennessee Region | 2,815,700 | 4,333,200 | 4,750,500 |
| 339.26 Middle Tennessee Region | 2,218,300 | 8,528,500 | 8,908,600 |
| 339.27 East Tennessee Region | 7,209,800 | 2,619,300 | 2,919,300 |
| 339.21 Subtotal Finance and Administration - Mental Retardation | 71,565,100 | 76,506,300 | 87,312,100 |
| Military | | | |
| 341.01 Administration | 1,657,900 | 1,732,900 | 1,565,700 |
| 341.02 Army National Guard | 1,028,400 | 1,393,800 | 882,500 |
| 341.03 Air National Guard | 1,345,500 | 1,421,200 | 1,472,000 |
| 341.04 Tennessee Emergency Management Agency | 1,663,200 | 2,137,100 | 2,902,400 |
| 341.07 Armories Maintenance | 793,600 | 736,700 | 736,700 |
| 341.09 TEMA Disaster Relief Grants | 1,762,300 | - | - |
| 341.10 Armories Utilities | 1,720,600 | 1,824,800 | 1,764,800 |
| 341.00 Subtotal Military | 9,971,500 | 9,246,500 | 9,324,100 |
| Health | | | |
| 343.01 Executive Administration | 3,795,700 | 4,494,600 | 4,494,600 |
| 343.03 Administrative Services | 2,238,400 | 2,486,500 | 2,428,800 |
| 343.04 Division of Technology | 2,883,700 | 3,374,900 | 3,287,400 |
| 343.05 Bureau of Health Licensure and Regulation | 3,825,400 | 3,909,400 | 3,542,000 |
| 343.07 Emergency Medical Services | 173,600 | 614,600 | 514,600 |
| 343.08 Laboratory Services | 6,109,700 | 7,981,500 | 7,334,400 |
| 343.20 Policy Planning and Assessment | 4,033,500 | 4,939,000 | 4,355,900 |
| 343.39 General Environmental Health | 3,087,700 | 3,051,900 | 2,247,800 |
| 343.44 Alcohol and Drug Abuse Services | 8,084,700 | 9,001,600 | 7,914,600 |

State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2001-2002, 2002-2003, and 2003-2004

| Program | Actual Expenditures 2001-2002 * | Estimated 2002-2003 | Recommended 2003-2004 |
|--|---------------------------------------|------------------------|--------------------------|
| 343.45 Health Services Administration | 3,423,200 | 3,603,000 | 3,603,000 |
| 343.47 Maternal and Child Health | 3,000,900 | 3,005,400 | 2,781,300 |
| 343.49 Communicable and Environmental Disease Services | 2,427,700 | 4,282,700 | 3,782,700 |
| 343.52 Population-Based Services | 5,295,500 | 6,307,900 | 5,780,900 |
| 343.60 Local Health Services | 19,257,800 | 25,947,100 | 23,177,500 |
| 343.00 Subtotal Health | 67,637,500 | 83,000,100 | 75,245,500 |
| Human Services | | | |
| 345.01 Administration | 16,347,000 | 19,148,500 | 19,851,400 |
| 345.13 Child Support | 14,829,100 | 15,336,100 | 15,130,100 |
| 345.16 Field Operations | 5,837,200 | 7,357,200 | 7,357,200 |
| 345.17 County Rentals | 4,560,500 | 5,419,000 | 5,419,000 |
| 345.30 Family Assistance Services | 63,832,800 | 75,738,600 | 70,134,000 |
| 345.35 Disaster Relief | 190,500 | - | - |
| 345.49 Community Services | 34,337,700 | 31,689,300 | 26,659,000 |
| 345.70 Vocational Rehabilitation | 9,139,600 | 10,624,400 | 7,452,900 |
| 345.00 Subtotal Human Services | 149,074,400 | 165,313,100 | 152,003,600 |
| Revenue | | | |
| 347.01 Administration Division | 4,633,000 | 5,763,400 | 5,450,200 |
| 347.02 Tax Enforcement Division | 3,878,600 | 4,190,700 | 4,033,700 |
| 347.11 Information Technology Resources Division | 9,959,600 | 11,443,000 | 7,702,700 |
| 347.13 Taxpayer Services Division | 4,100,000 | 5,296,800 | 4,884,500 |
| 347.14 Audit Division | 13,351,200 | 14,892,200 | 14,614,700 |
| 347.16 Processing Division | 4,093,300 | 4,608,100 | 4,716,800 |
| 347.00 Subtotal Revenue | 40,015,700 | 46,194,200 | 41,402,600 |
| 348.00 Tennessee Bureau of Investigation | 24,413,400 | 27,493,600 | 24,933,700 |
| Safety | | | |
| 349.01 Administration | 5,444,100 | 6,151,700 | 5,695,600 |
| 349.02 Driver License Issuance | - | 3,865,200 | 1,714,300 |
| 349.03 Highway Patrol | 65,319,500 | 73,924,300 | 72,848,600 |
| 349.07 Motor Vehicle Operations | 7,077,600 | 7,295,900 | 7,130,100 |
| 349.09 Tenn. Law Enforcement Training Academy | 1,908,400 | 2,447,100 | 2,467,600 |
| 349.10 P.O.S.T. Commission | 6,440,500 | 7,190,800 | 6,681,500 |
| 349.11 Titling and Registration | 9,804,100 | 11,963,400 | 11,229,100 |
| 349.12 Major Maintenance | 231,900 | 249,000 | 200,000 |
| 349.13 Technical Services | 986,800 | 2,182,600 | 1,800,900 |
| 349.00 Subtotal Safety | 97,212,900 | 115,270,000 | 109,767,700 |
| 351.00 Miscellaneous Appropriations | 22,061,100 | 30,531,100 | 143,040,800 |
| 353.00 Emergency and Contingency Fund | - | 819,300 | 819,300 |
| 355.02 Major Maintenance and Equipment | 245,100 | 250,000 | 250,000 |
| Children's Services | | | |
| 359.10 Administration | 29,944,600 | 24,766,000 | 24,212,200 |
| 359.20 Family Support Services | 20,206,600 | 25,948,900 | 26,368,300 |
| 359.30 Custody Services | 95,724,900 | 83,854,200 | 86,284,500 |

**State Taxpayers Budget
State Appropriations by Program
Fiscal Years 2001-2002, 2002-2003, and 2003-2004**

| Program | Actual Expenditures 2001-2002 * | Estimated 2002-2003 | Recommended 2003-2004 |
|--|--|--------------------------------|----------------------------------|
| 359.40 Adoption Services | 13,611,200 | 14,515,300 | 16,179,300 |
| 359.50 Child and Family Management | 37,643,400 | 53,074,700 | 54,454,900 |
| 359.60 John S. Wilder Youth Development Center | 7,426,400 | 8,476,600 | 8,908,700 |
| 359.61 Taft Youth Development Center | 10,112,200 | 10,804,400 | 11,143,800 |
| 359.62 Woodland Hills Youth Development Center | 8,429,300 | 9,024,100 | 11,280,000 |
| 359.63 Mountain View Youth Development Center | 8,359,400 | 9,273,500 | 9,650,700 |
| 359.65 Community Treatment Facilities | 6,663,500 | 6,825,800 | 6,764,200 |
| 359.70 Tennessee Preparatory School | 7,746,200 | 8,141,200 | 3,042,400 |
| 359.80 Major Maintenance | 420,600 | 420,100 | 420,100 |
| 359.00 Subtotal Children's Services | 246,288,300 | 255,124,800 | 258,709,100 |
| Subtotal General Fund and Education Fund | 7,303,259,300 | 7,719,284,500 | 8,055,006,500 |
| Transportation | 747,985,000 ** | 669,750,000 | 622,850,000 |
| Debt Service Requirements | 247,527,000 | 236,171,000 | 232,360,000 |
| Capital Outlay Program | 115,576,000 ** | 27,913,000 | - |
| Facilities Revolving Fund | 113,800 | 321,600 | 321,600 |
| Cities and Counties - State Shared Taxes | 650,202,000 | 656,800,000 | 613,600,000 |
| Grand Total State Taxpayers Budget | 9,064,663,100 | 9,310,240,100 | 9,524,138,100 |
| Dedicated Tax Sources - Appropriation | 212,551,900 | 255,679,900 | 261,860,600 |
| Grand Total State Appropriation - Budget Document | 9,277,215,000 | 9,565,920,000 | 9,785,998,700 |

* FY 2001-2002 is actual expenditures from appropriations, except as noted.

** FY 2001-2002 - Transportation and Capital Outlay include appropriations from tax revenues and bonds.

State Taxpayers Budget
Comparison Statement of State Revenues
Actual and Estimated July 1, 2001 - June 30, 2004

SOURCE OF REVENUE

| Department of Revenue | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 | Percent Required |
|---------------------------------------|-----------------------------|--------------------------------|--------------------------------|-----------------------------|
| Sales and Use Tax | \$4,645,724,300 | \$5,390,000,000 | \$5,578,600,000 | 3.50% |
| Gasoline Tax | 576,912,000 | 582,700,000 | 588,500,000 | 1.00% |
| Motor Fuel Tax | 151,188,900 | 157,200,000 | 165,100,000 | 5.03% |
| Gasoline Inspection Tax | 44,378,000 | 45,655,000 | 47,455,000 | 3.94% |
| Motor Vehicle Registration Tax | 212,397,000 | 225,142,000 | 234,442,000 | 4.13% |
| Income Tax | 141,710,200 | 140,000,000 | 145,600,000 | 4.00% |
| Privilege Tax | 170,641,300 | 199,040,000 | 207,540,000 | 4.27% |
| Gross Receipts Tax - TVA | 200,296,900 | 198,600,000 | 204,600,000 | 3.02% |
| Gross Receipts Tax - Other | 24,034,100 | 24,500,000 | 26,200,000 | 6.94% |
| Beer Tax | 15,347,400 | 17,500,000 | 17,800,000 | 1.71% |
| Alcoholic Beverage Tax | 30,032,300 | 34,100,000 | 34,800,000 | 2.05% |
| Franchise Tax | 428,590,100 | 347,000,000 | 350,500,000 | 1.01% |
| Excise Tax | 537,710,500 | 653,000,000 | 659,500,000 | 1.00% |
| Inheritance and Estate Tax | 104,480,700 | 95,000,000 | 95,000,000 | 0.00% |
| Tobacco Tax | 85,596,100 | 117,300,000 | 118,400,000 | 0.94% |
| Motor Vehicle Title Fees | 10,646,000 | 11,000,000 | 11,100,000 | 0.91% |
| Mixed Drink Tax | 35,860,800 | 37,500,000 | 39,400,000 | 5.07% |
| Business Tax | 21,115,000 | 91,400,000 | 92,000,000 | 0.66% |
| Severance Tax | 1,079,600 | 1,100,000 | 1,100,000 | 0.00% |
| Coin-operated Amusement Tax | 31,400 | 3,400,000 | 3,500,000 | 2.94% |
| Total Department of Revenue | \$7,437,772,600 | \$8,371,137,000 | \$8,621,137,000 | 2.99% |
| Other State Revenue | | | | |
| Department of Commerce and Insurance | \$309,410,800 | \$333,800,000 | \$353,800,000 | 5.99% |
| Secretary of State | 15,216,000 | 14,000,000 | 14,000,000 | 0.00% |
| Department of Safety | 36,360,600 | 36,957,000 | 36,957,000 | 0.00% |
| State Treasurer | 33,733,500 | 12,500,000 | 10,000,000 | -20.00% |
| Department of Education | 1,666,700 | 1,675,000 | 1,675,000 | 0.00% |
| Dept. of Environment and Conservation | 24,500 | 25,000 | 25,000 | 0.00% |
| Miscellaneous Revenue | 29,707,100 | 18,500,000 | 18,500,000 | 0.00% |
| Nursing Home Tax | 100,976,000 | 102,500,000 | 102,500,000 | 0.00% |
| Total Other State Revenue | \$527,095,200 | \$519,957,000 | \$537,457,000 | 3.37% |
| Total State Revenue | \$7,964,867,800 | \$8,891,094,000 | \$9,158,594,000 | 3.01% |

State Taxpayers Budget
Distribution of Actual Revenue by Fund
Fiscal Year 2001-2002

SOURCE OF REVENUE

| Department of Revenue | Total Revenue | General Fund | Education Fund | Highway Fund | Debt Service Fund | Cities & Counties |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------|----------------------|----------------------|
| Sales and Use Tax | \$4,645,724,300 | \$1,290,519,500 | \$3,109,342,600 | \$0 | \$38,449,200 | \$207,413,000 |
| Gasoline Tax | 576,912,000 | 9,579,700 | 0 | 267,131,500 | 80,000,000 | 220,200,800 |
| Motor Fuel Tax | 151,188,900 | 2,866,500 | 0 | 108,676,000 | 0 | 39,646,400 |
| Gasoline Inspection Tax | 44,378,000 | 646,800 | 0 | 31,714,200 | 0 | 12,017,000 |
| Motor Vehicle Registration Tax | 212,397,000 | 28,975,000 | 222,600 | 183,199,400 | 0 | 0 |
| Income Tax | 141,710,200 | 92,821,800 | 0 | 0 | 0 | 48,888,400 |
| Privilege Tax | 170,641,300 | 170,641,300 | 0 | 0 | 0 | 0 |
| Gross Receipts Tax - TVA | 200,296,900 | 121,371,900 | 0 | 0 | 0 | 78,925,000 |
| Gross Receipts Tax - Other | 24,034,100 | 20,790,700 | 0 | 3,243,400 | 0 | 0 |
| Beer Tax | 15,347,400 | 10,264,500 | 0 | 1,931,100 | 0 | 3,151,800 |
| Alcoholic Beverage Tax | 30,032,300 | 24,864,400 | 0 | 0 | 0 | 5,167,900 |
| Franchise Tax | 428,590,100 | 410,590,100 | 0 | 0 | 18,000,000 | 0 |
| Excise Tax | 537,710,500 | 424,062,600 | 0 | 0 | 97,032,900 | 16,615,000 |
| Inheritance and Estate Tax | 104,480,700 | 104,480,700 | 0 | 0 | 0 | 0 |
| Tobacco Tax | 85,596,100 | 620,800 | 84,974,000 | 0 | 0 | 1,300 |
| Motor Vehicle Title Fees | 10,646,000 | 8,128,100 | 0 | 0 | 2,517,900 | 0 |
| Mixed Drink Tax | 35,860,800 | 1,171,500 | 17,345,200 | 0 | 0 | 17,344,100 |
| Business Tax | 21,115,000 | 21,115,000 | 0 | 0 | 0 | 0 |
| Severance Tax | 1,079,600 | 248,300 | 0 | 0 | 0 | 831,300 |
| Coin-operated Amusement Tax | 31,400 | 31,400 | 0 | 0 | 0 | 0 |
| Total Department of Revenue | \$7,437,772,600 | \$2,743,790,600 | \$3,211,884,400 | \$595,895,600 | \$236,000,000 | \$650,202,000 |
| Other State Revenue | | | | | | |
| Department of Commerce and Insurance | \$309,410,800 | \$309,410,800 | \$0 | \$0 | \$0 | \$0 |
| Secretary of State | 15,216,000 | 15,216,000 | 0 | 0 | 0 | 0 |
| Department of Safety | 36,360,600 | 36,360,600 | 0 | 0 | 0 | 0 |
| State Treasurer | 33,733,500 | 33,733,500 | 0 | 0 | 0 | 0 |
| Department of Education | 1,666,700 | 1,666,700 | 0 | 0 | 0 | 0 |
| Dept. of Environment and Conservation | 24,500 | 24,500 | 0 | 0 | 0 | 0 |
| Miscellaneous Revenue | 29,707,100 | 29,707,100 | 0 | 0 | 0 | 0 |
| Nursing Home Tax | 100,976,000 | 100,976,000 | 0 | 0 | 0 | 0 |
| Total Other State Revenue | \$527,095,200 | \$527,095,200 | \$0 | \$0 | \$0 | \$0 |
| Total State Revenue | \$7,964,867,800 | \$3,270,885,800 | \$3,211,884,400 | \$595,895,600 | \$236,000,000 | \$650,202,000 |

State Taxpayers Budget
Distribution of Revised Estimated Revenue by Fund
Fiscal Year 2002-2003

SOURCE OF REVENUE

| Department of Revenue | Total Revenue | General Fund | Education Fund | Highway Fund | Debt Service Fund | Cities & Counties |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------|----------------------|----------------------|
| Sales and Use Tax | \$5,390,000,000 | \$1,980,500,000 | \$3,159,700,000 | \$0 | \$39,100,000 | \$210,700,000 |
| Gasoline Tax | 582,700,000 | 9,700,000 | 0 | 273,600,000 | 77,000,000 | 222,400,000 |
| Motor Fuel Tax | 157,200,000 | 2,900,000 | 0 | 113,000,000 | 0 | 41,300,000 |
| Gasoline Inspection Tax | 45,655,000 | 1,155,000 | 0 | 32,500,000 | 0 | 12,000,000 |
| Motor Vehicle Registration Tax | 225,142,000 | 35,042,000 | 200,000 | 189,900,000 | 0 | 0 |
| Income Tax | 140,000,000 | 91,700,000 | 0 | 0 | 0 | 48,300,000 |
| Privilege Tax | 199,040,000 | 199,040,000 | 0 | 0 | 0 | 0 |
| Gross Receipts Tax - TVA | 198,600,000 | 120,500,000 | 0 | 0 | 0 | 78,100,000 |
| Gross Receipts Tax - Other | 24,500,000 | 21,200,000 | 0 | 3,300,000 | 0 | 0 |
| Beer Tax | 17,500,000 | 12,200,000 | 0 | 2,100,000 | 0 | 3,200,000 |
| Alcoholic Beverage Tax | 34,100,000 | 28,800,000 | 0 | 0 | 0 | 5,300,000 |
| Franchise Tax | 347,000,000 | 329,000,000 | 0 | 0 | 18,000,000 | 0 |
| Excise Tax | 653,000,000 | 545,300,000 | 0 | 0 | 91,100,000 | 16,600,000 |
| Inheritance and Estate Tax | 95,000,000 | 95,000,000 | 0 | 0 | 0 | 0 |
| Tobacco Tax | 117,300,000 | 700,000 | 116,600,000 | 0 | 0 | 0 |
| Motor Vehicle Title Fees | 11,000,000 | 8,300,000 | 0 | 0 | 2,700,000 | 0 |
| Mixed Drink Tax | 37,500,000 | 1,300,000 | 18,100,000 | 0 | 0 | 18,100,000 |
| Business Tax | 91,400,000 | 91,400,000 | 0 | 0 | 0 | 0 |
| Severance Tax | 1,100,000 | 300,000 | 0 | 0 | 0 | 800,000 |
| Coin-operated Amusement Tax | 3,400,000 | 3,400,000 | 0 | 0 | 0 | 0 |
| Total Department of Revenue | \$8,371,137,000 | \$3,577,437,000 | \$3,294,600,000 | \$614,400,000 | \$227,900,000 | \$656,800,000 |
| Other State Revenue | | | | | | |
| Department of Commerce and Insurance | \$333,800,000 | \$333,800,000 | \$0 | \$0 | \$0 | \$0 |
| Secretary of State | 14,000,000 | 14,000,000 | 0 | 0 | 0 | 0 |
| Department of Safety | 36,957,000 | 36,957,000 | 0 | 0 | 0 | 0 |
| State Treasurer | 12,500,000 | 12,500,000 | 0 | 0 | 0 | 0 |
| Department of Education | 1,675,000 | 1,675,000 | 0 | 0 | 0 | 0 |
| Dept. of Environment and Conservation | 25,000 | 25,000 | 0 | 0 | 0 | 0 |
| Miscellaneous Revenue | 18,500,000 | 18,500,000 | 0 | 0 | 0 | 0 |
| Nursing Home Tax | 102,500,000 | 102,500,000 | 0 | 0 | 0 | 0 |
| Total Other State Revenue | \$519,957,000 | \$519,957,000 | \$0 | \$0 | \$0 | \$0 |
| Total State Revenue | \$8,891,094,000 | \$4,097,394,000 | \$3,294,600,000 | \$614,400,000 | \$227,900,000 | \$656,800,000 |

State Taxpayers Budget
Distribution of Estimated Revenue by Fund
Fiscal Year 2003-2004

SOURCE OF REVENUE

| Department of Revenue | Total Revenue | General Fund | Education Fund | Highway Fund | Debt Service Fund | Cities & Counties |
|---------------------------------------|------------------------|------------------------|------------------------|----------------------|----------------------|----------------------|
| Sales and Use Tax | \$5,578,600,000 | \$2,049,700,000 | \$3,270,300,000 | \$0 | \$40,500,000 | \$218,100,000 |
| Gasoline Tax | 588,500,000 | 9,800,000 | 0 | 280,100,000 | 74,000,000 | 224,600,000 |
| Motor Fuel Tax | 165,100,000 | 3,200,000 | 0 | 118,600,000 | 0 | 43,300,000 |
| Gasoline Inspection Tax | 47,455,000 | 1,755,000 | 0 | 33,700,000 | 0 | 12,000,000 |
| Motor Vehicle Registration Tax | 234,442,000 | 36,742,000 | 200,000 | 197,500,000 | 0 | 0 |
| Income Tax | 145,600,000 | 95,400,000 | 0 | 0 | 0 | 50,200,000 |
| Privilege Tax | 207,540,000 | 207,540,000 | 0 | 0 | 0 | 0 |
| Gross Receipts Tax - TVA | 204,600,000 | 123,500,000 | 0 | 0 | 0 | 81,100,000 |
| Gross Receipts Tax - Other | 26,200,000 | 22,700,000 | 0 | 3,500,000 | 0 | 0 |
| Beer Tax | 17,800,000 | 12,500,000 | 0 | 2,100,000 | 0 | 3,200,000 |
| Alcoholic Beverage Tax | 34,800,000 | 29,400,000 | 0 | 0 | 0 | 5,400,000 |
| Franchise Tax | 350,500,000 | 332,500,000 | 0 | 0 | 18,000,000 | 0 |
| Excise Tax | 659,500,000 | 552,200,000 | 0 | 0 | 90,700,000 | 16,600,000 |
| Inheritance and Estate Tax | 95,000,000 | 95,000,000 | 0 | 0 | 0 | 0 |
| Tobacco Tax | 118,400,000 | 700,000 | 117,700,000 | 0 | 0 | 0 |
| Motor Vehicle Title Fees | 11,100,000 | 8,400,000 | 0 | 0 | 2,700,000 | 0 |
| Mixed Drink Tax | 39,400,000 | 1,400,000 | 19,000,000 | 0 | 0 | 19,000,000 |
| Business Tax | 92,000,000 | 92,000,000 | 0 | 0 | 0 | 0 |
| Severance Tax | 1,100,000 | 300,000 | 0 | 0 | 0 | 800,000 |
| Coin-operated Amusement Tax | 3,500,000 | 3,500,000 | 0 | 0 | 0 | 0 |
| Total Department of Revenue | \$8,621,137,000 | \$3,678,237,000 | \$3,407,200,000 | \$635,500,000 | \$225,900,000 | \$674,300,000 |
| Other State Revenue | | | | | | |
| Department of Commerce and Insurance | \$353,800,000 | \$353,800,000 | \$0 | \$0 | \$0 | \$0 |
| Secretary of State | 14,000,000 | 14,000,000 | 0 | 0 | 0 | 0 |
| Department of Safety | 36,957,000 | 36,957,000 | 0 | 0 | 0 | 0 |
| State Treasurer | 10,000,000 | 10,000,000 | 0 | 0 | 0 | 0 |
| Department of Education | 1,675,000 | 1,675,000 | 0 | 0 | 0 | 0 |
| Dept. of Environment and Conservation | 25,000 | 25,000 | 0 | 0 | 0 | 0 |
| Miscellaneous Revenue | 18,500,000 | 18,500,000 | 0 | 0 | 0 | 0 |
| Nursing Home Tax | 102,500,000 | 102,500,000 | 0 | 0 | 0 | 0 |
| Total Other State Revenue | \$537,457,000 | \$537,457,000 | \$0 | \$0 | \$0 | \$0 |
| Total State Revenue | \$9,158,594,000 | \$4,215,694,000 | \$3,407,200,000 | \$635,500,000 | \$225,900,000 | \$674,300,000 |

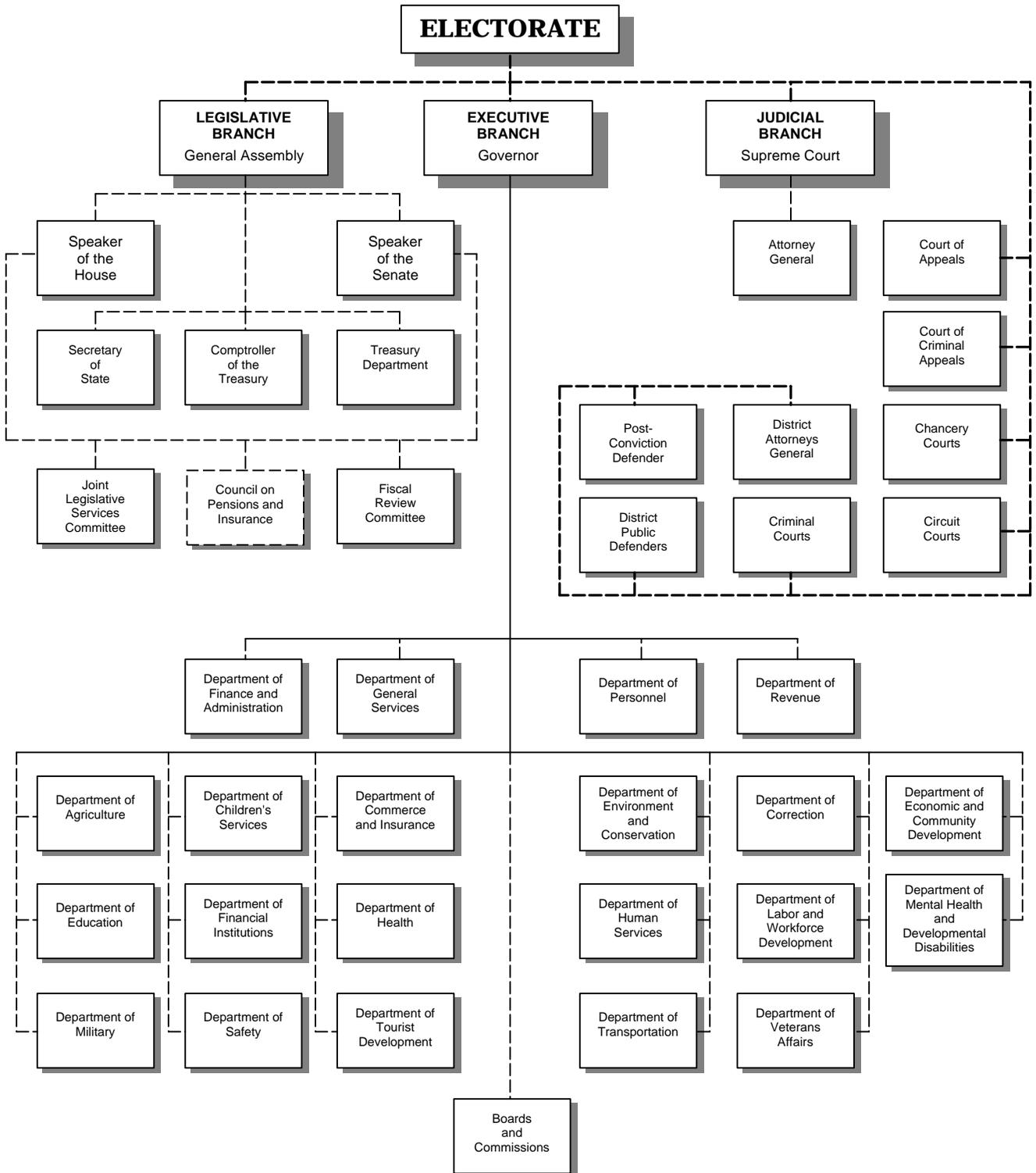
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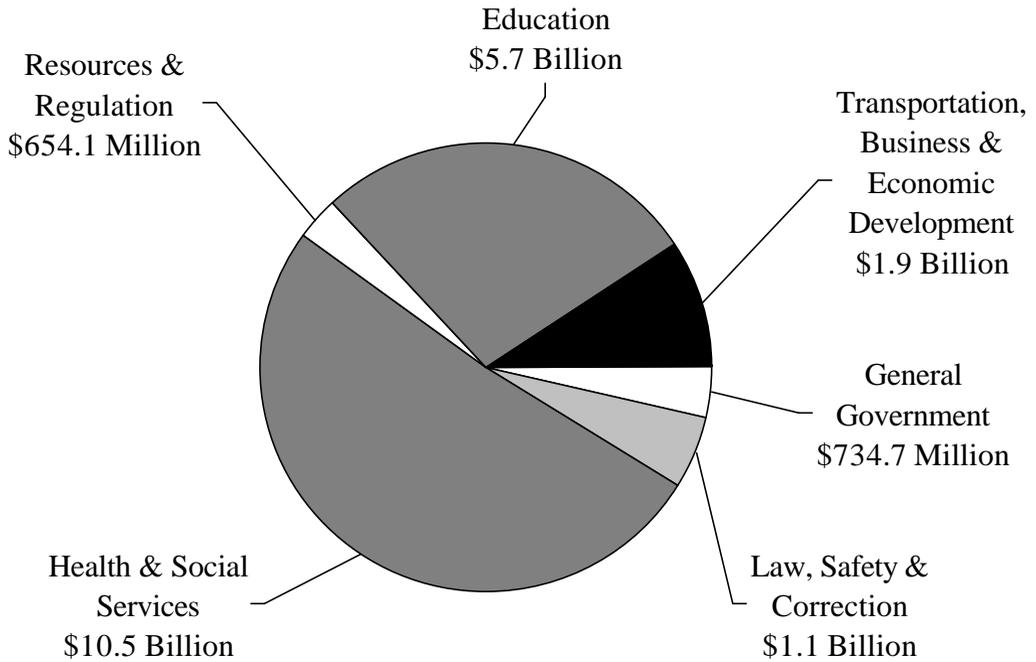
TENNESSEE STATE GOVERNMENT ORGANIZATIONAL CHART

FISCAL YEAR 2003 - 2004



Funds by Program Area

FY 2003 - 2004 Recommended



\$20,444,713,900 Total

The departments and agencies of state government are grouped into six broad “functional areas.” This chart summarizes the FY 2003 - 2004 recommended funding allocated by area. The following sections of the budget document provide detailed information about the activities of each group.

General Government
Recommended Budget for Fiscal Year 2003-2004
By Funding Source

| Department | State | Federal | Other | Total |
|--|----------------------|---------------------|----------------------|----------------------|
| 301.00 Legislature | 27,405,800 | 0 | 1,654,200 | 29,060,000 |
| 305.00 Secretary of State | 23,156,700 | 3,546,700 | 5,624,600 | 32,328,000 |
| 307.00 Comptroller of the Treasury | 42,223,200 | 0 | 11,467,000 | 53,690,200 |
| 309.00 Treasury Department | 136,000 | 0 | 16,256,400 | 16,392,400 |
| 313.00 Claims and Compensation | 8,125,500 | 4,451,000 | 59,860,400 | 72,436,900 |
| 315.00 Executive Department | 4,510,300 | 0 | 0 | 4,510,300 |
| 316.04 Human Rights Commission | 1,355,400 | 433,900 | 0 | 1,789,300 |
| 316.11 Tennessee Regulatory Authority | 7,588,600 | 350,000 | 4,100 | 7,942,700 |
| 316.12 Advisory Commission on Intergovernmental Relations | 280,000 | 0 | 1,806,200 | 2,086,200 |
| 316.31 Tax Structure Study Commission | 375,000 | 0 | 0 | 375,000 |
| 317.00 Finance and Administration | 12,087,000 | 32,372,200 | 167,426,200 | 211,885,400 |
| 319.00 Personnel | 4,297,700 | 0 | 4,373,900 | 8,671,600 |
| 321.00 General Services | 6,120,700 | 0 | 81,202,500 | 87,323,200 |
| 323.00 Veterans Affairs | 2,410,600 | 360,000 | 82,700 | 2,853,300 |
| 347.00 Revenue | 41,402,600 | 0 | 17,884,400 | 59,287,000 |
| 351.00 Miscellaneous Appropriations | 143,040,800 | 0 | 0 | 143,040,800 |
| 353.00 Emergency and Contingency Fund | 819,300 | 0 | 0 | 819,300 |
| 355.00 State Building Commission | 250,000 | 0 | 0 | 250,000 |
| Total | \$325,585,200 | \$41,513,800 | \$367,642,600 | \$734,741,600 |

Education
Recommended Budget for Fiscal Year 2003-2004
By Funding Source

| Department | State | Federal | Other | Total |
|-------------------------|------------------------|----------------------|------------------------|------------------------|
| 331.00 Education | 2,770,808,400 | 657,281,000 | 6,817,400 | 3,434,906,800 |
| 332.00 Higher Education | 1,046,160,900 | 141,941,700 | 1,044,733,000 * | 2,232,835,600 |
| Total | \$3,816,969,300 | \$799,222,700 | \$1,051,550,400 | \$5,667,742,400 |

* Includes Higher Education's tuition and fees and other revenue

Health and Social Services
Recommended Budget for Fiscal Year 2003-2004
By Funding Source

| Department | State | Federal | Other | Total |
|--|------------------------|------------------------|------------------------|-------------------------|
| 316.01 Commission on Children and Youth | 1,542,700 | 6,900,900 | 2,456,600 | 10,900,200 |
| 316.02 Commission on Aging and Disability | 8,669,100 | 25,564,800 | 2,105,000 | 36,338,900 |
| 316.07 Health Services and Development Agency | 1,257,400 | 0 | 12,400 | 1,269,800 |
| 316.10 Council of Juvenile and Family Court Judges | 416,700 | 0 | 45,000 | 461,700 |
| 318.00 Finance and Administration - TennCare Program | 2,228,079,000 | 4,447,182,600 | 415,249,900 | 7,090,511,500 |
| 339.00 Mental Health and Developmental Disabilities | 105,865,900 | 16,811,100 | 85,403,600 | 208,080,600 |
| 339.21 Finance and Administration - Mental Retardation | 87,312,100 | 2,092,100 | 523,677,900 | 613,082,100 |
| 343.00 Health | 98,482,800 | 219,251,900 | 107,035,300 | 424,770,000 |
| 345.00 Human Services | 152,003,600 | 1,280,783,300 | 90,835,300 | 1,523,622,200 |
| 359.00 Children's Services | 260,094,400 | 92,441,100 | 193,521,500 | 546,057,000 |
| Total | \$2,943,723,700 | \$6,091,027,800 | \$1,420,342,500 | \$10,455,094,000 |

Law, Safety and Correction
Recommended Budget for Fiscal Year 2003-2004
By Funding Source

| Department | State | Federal | Other | Total |
|--|----------------------|---------------------|----------------------|------------------------|
| 302.00 Court System | 85,234,800 | 200,000 | 3,216,700 | 88,651,500 |
| 303.00 Attorney General and Reporter | 15,130,400 | 0 | 11,519,800 | 26,650,200 |
| 304.00 District Attorneys General Conference | 43,655,100 | 0 | 12,559,000 | 56,214,100 |
| 306.00 District Public Defenders Conference | 25,779,300 | 0 | 583,500 | 26,362,800 |
| 308.00 Office of the Post-Conviction Defender | 1,061,300 | 0 | 0 | 1,061,300 |
| 316.03 Alcoholic Beverage Commission | 1,684,800 | 0 | 2,193,000 | 3,877,800 |
| 316.08 TRICOR | 0 | 0 | 24,758,300 | 24,758,300 |
| 316.09 Corrections Institute | 598,200 | 0 | 15,000 | 613,200 |
| 324.00 Board of Probation and Parole | 53,930,500 | 0 | 340,000 | 54,270,500 |
| 329.00 Correction | 489,606,900 | 15,784,700 | 14,998,200 | 520,389,800 |
| 341.00 Military | 9,324,100 | 38,282,100 | 1,763,500 | 49,369,700 |
| 348.00 Tennessee Bureau of Investigation | 24,933,700 | 7,472,300 | 8,857,600 | 41,263,600 |
| 349.00 Safety | 120,010,300 | 5,405,000 | 37,771,000 | 163,186,300 |
| Total | \$870,949,400 | \$67,144,100 | \$118,575,600 | \$1,056,669,100 |

Resources and Regulation
Recommended Budget for Fiscal Year 2003-2004
By Funding Source

| Department | State | Federal | Other | Total |
|--|----------------------|----------------------|----------------------|----------------------|
| 316.25 Arts Commission | 3,980,000 | 631,500 | 0 | 4,611,500 |
| 316.27 State Museum | 2,282,900 | 0 | 50,000 | 2,332,900 |
| 327.00 Environment and Conservation | 138,486,100 | 73,514,600 | 84,610,700 | 296,611,400 |
| 328.00 Tennessee Wildlife Resources Agency | 40,243,400 | 13,243,000 | 6,271,300 | 59,757,700 |
| 335.00 Commerce and Insurance | 51,168,200 | 319,200 | 27,810,300 | 79,297,700 |
| 336.00 Financial Institutions | 5,492,500 | 0 | 3,568,900 | 9,061,400 |
| 337.00 Labor and Workforce Development | 23,056,000 | 144,349,400 | 34,978,500 | 202,383,900 |
| Total | \$264,709,100 | \$232,057,700 | \$157,289,700 | \$654,056,500 |

**Transportation, Business and Economic Development
Recommended Budget for Fiscal Year 2003-2004
By Funding Source**

| Department | State | Federal | Other | Total |
|--|----------------------|------------------------|---------------------|------------------------|
| 316.20 Tennessee Housing Development Agency | 0 | 249,734,100 | 14,616,800 | 264,350,900 |
| 325.00 Agriculture | 56,535,900 | 10,333,200 | 8,371,300 | 75,240,400 |
| 326.00 Tourist Development | 7,419,000 | 0 | 4,340,400 | 11,759,400 |
| 330.00 Economic and Community Development | 30,975,500 | 37,797,100 | 12,697,000 | 81,469,600 |
| 400.00 Transportation | 696,850,000 | 710,959,000 | 35,781,000 | 1,443,590,000 |
| Total | \$791,780,400 | \$1,008,823,400 | \$75,806,500 | \$1,876,410,300 |

General Government

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General Government

Recommended Budget, Fiscal Year 2003 – 2004

This functional area is comprised of those elements of state government that make and execute the laws and are responsible for the overall daily operation and coordination of the many activities of government.

More than any other, this functional area represents a diverse group of departments and agencies. Included are the General Assembly and the three constitutional officers elected by that body:

- Secretary of State
- Comptroller of the Treasury
- State Treasurer.

The Executive Department, including the Governor's Office, oversees the daily operation of state government and is responsible for ensuring that state laws are enforced, taxes are collected, and public monies are spent wisely.

The Office of Homeland Security, a staff division of the Executive Department, is responsible for developing and implementing a comprehensive strategy to secure the State of Tennessee from terrorist threats and attacks. The office interacts with the federal Department of Homeland Security and coordinates state homeland security actions through the Homeland Security Council, in order to assure a safe and healthy environment for all Tennesseans.

Also included in this functional group are the departments that assist the Governor in a staff function:

- Finance and Administration
- Personnel
- General Services
- Revenue.

These departments facilitate the successful operation of state government by providing support for all departments.

In addition, the departments of General Services and Finance and Administration are responsible for overseeing and administering the State Office Building and Support Facilities Revolving Fund (FRF), which provides funding for a self-perpetuating maintenance and renovation program for state-owned buildings. Budget information concerning FRF can be found in the Capital Outlay and Facilities program section. Capital improvements and major maintenance projects are supported by this fund, as well as repair, upgrade, relocation, leased space, warehouse space, and facility management plans.

The Capital Projects and Real Property Management Division of the Department of Finance and Administration is responsible for capital improvements and maintenance projects and addressing the need for energy management in state-owned facilities. The Property Services Management Division of the Department of General Services is responsible for effectively managing, operating, and maintaining state office buildings. This department utilizes state employees and contracted services to effectively maintain these assets and deliver all appropriate services to the tenants.

This functional group also includes five agencies whose responsibilities affect many facets of government:

- Tennessee Regulatory Authority
- Human Rights Commission
- Advisory Commission on Intergovernmental Relations
- Veterans Affairs
- Tax Structure Study Commission.

The Tax Structure Study Commission was created effective July 4, 2002, by Public Chapter 856. The commission must report its findings, recommendations, and any proposed legislation to the General Assembly on or before July 1, 2004, at which time the commission will terminate.

According to the law, the commission will perform a comprehensive study of the tax structure in Tennessee. The study will include state taxes, local taxes, special district taxes, and state-shared taxes. The commission will study the elasticity of the current tax structure, the effect of electronic-commerce upon the current tax structure, the method of allocation of state tax revenue, the effect of allocation of tax revenue based on situs of collection, current distribution formulas for tax revenue, special allocations of tax revenue based on population or tourism-related special treatment, and the deductibility of state and local taxes from federal taxes.

The commission also will study issues pertaining to exportability and federal deductibility of Tennessee's state and local taxes. The commission will evaluate the impact of various taxes upon the state's business climate and economic competitiveness. Issues involved in franchise, excise, and other business taxes also will be considered.

Improvement Highlights

Miscellaneous Appropriations

The Miscellaneous Appropriations includes \$3 million from state appropriations for a Homeland Security Emergency Fund. In the event of an emergency, these funds will provide for the security of state property,

buildings, and personnel, as well as additional operating costs, including overtime, resulting from homeland security needs. These funds will only be allotted to the line agencies when circumstances require it, upon approval of the Commissioner of Finance and Administration and the Director of Homeland Security.

Additional improvements include \$22.9 million to annualize the January 1, 2003, salary increase for state employees and higher education employees.

Improvements of \$60.1 million and \$10.4 million are recommended to fund the state share of group health insurance premium increases, effective January 1, 2003, and January 1, 2004, respectively, for state employees and higher education employees. An improvement of \$3.1 million is provided for additional retired teachers insurance costs.

An improvement of \$9.5 million is recommended to fund a Board of Claims premium increase, and \$695,500 is provided for rent increases for state agencies.

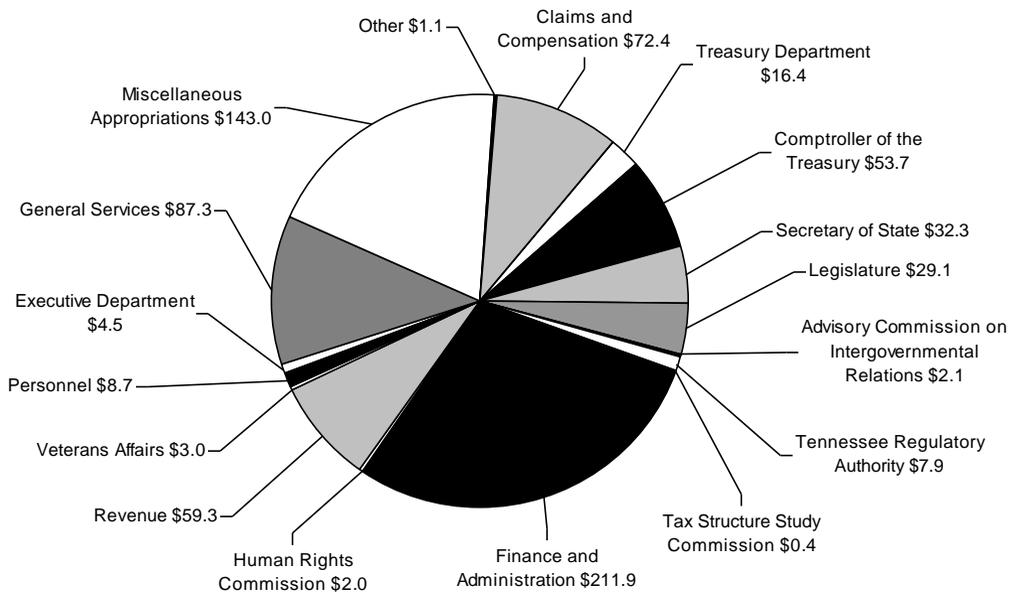
The Administration recommends \$500,000 to continue the implementation of performance-based budgeting with three additional agencies.

Funding to conduct the presidential preference primaries in March 2004 is provided with a non-recurring \$3.5 million improvement. The state is to reimburse counties for expenses of holding these primaries, pursuant to TCA 2-12-109(d).

The following graph depicts the manner in which funds are divided among the departments within the group. Funding mixes within each department vary, as some are

exclusively state funded, while others represent state, federal, and other sources of funding.

General Government FY 2003 - 2004 Recommended



In Millions
\$734,741,600 Total

General Government Total Personnel and Funding

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Recommended 2003-2004</u> |
|---------------------|-----------------------------|--------------------------------|----------------------------------|
| Personnel | | | |
| Full Time | 4,189 | 4,259 | 4,143 |
| Part Time | 188 | 192 | 179 |
| Seasonal | 21 | 21 | 21 |
| TOTAL | 4,398 | 4,472 | 4,343 |
| Expenditures | | | |
| Payroll | \$184,829,300 | \$212,106,400 | \$207,468,300 |
| Operational | 368,402,800 | 427,818,000 | 527,273,300 |
| TOTAL | \$553,232,100 | \$639,924,400 | \$734,741,600 |
| Funding | | | |
| State | \$178,576,200 | \$229,207,000 | \$325,585,200 |
| Federal | 33,374,400 | 40,442,200 | 41,513,800 |
| Other | 341,281,500 | 370,275,200 | 367,642,600 |

**General Government
Improvements for Fiscal Year 2003-2004**

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> | <u>Positions</u> |
|--|--------------|----------------|--------------|--------------|------------------|
| Miscellaneous Appropriations | | | | | |
| • Salary Increase - State Employees and Higher Education - January 1, 2003 | | | | | |
| To provide funds for the annualization of the January 1, 2003 salary increases for state employees and higher education employees. | | | | | |
| 351.00 Miscellaneous Appropriations | \$22,928,600 | \$0 | \$0 | \$22,928,600 | 0 |
| Sub-total | \$22,928,600 | \$0 | \$0 | \$22,928,600 | 0 |
| • Group Health Insurance - January 1, 2003 | | | | | |
| To provide funding for the state share of the January 1, 2003, group health insurance premium increase for state employees and higher education employees. | | | | | |
| 351.00 Miscellaneous Appropriations | \$60,100,000 | \$0 | \$0 | \$60,100,000 | 0 |
| Sub-total | \$60,100,000 | \$0 | \$0 | \$60,100,000 | 0 |
| • Group Health Insurance - January 1, 2004 | | | | | |
| To provide funding for the state share of a group health insurance premium increase effective January 1, 2004. | | | | | |
| 351.00 Miscellaneous Appropriations | \$10,400,000 | \$0 | \$0 | \$10,400,000 | 0 |
| Sub-total | \$10,400,000 | \$0 | \$0 | \$10,400,000 | 0 |
| • Retired Teachers Insurance | | | | | |
| To provide additional funding for retired teachers health insurance. | | | | | |
| 351.00 Miscellaneous Appropriations | \$3,118,000 | \$0 | \$0 | \$3,118,000 | 0 |
| Sub-total | \$3,118,000 | \$0 | \$0 | \$3,118,000 | 0 |
| • Board of Claims - Premiums | | | | | |
| To provide additional funding for Board of Claims premiums. | | | | | |
| 351.00 Miscellaneous Appropriations | \$9,500,000 | \$0 | \$0 | \$9,500,000 | 0 |
| Sub-total | \$9,500,000 | \$0 | \$0 | \$9,500,000 | 0 |
| • Rent Adjustments | | | | | |
| To provide funding for rent increases for state agencies. | | | | | |
| 351.00 Miscellaneous Appropriations | \$695,500 | \$0 | \$0 | \$695,500 | 0 |
| Sub-total | \$695,500 | \$0 | \$0 | \$695,500 | 0 |

General Government Improvements for Fiscal Year 2003-2004

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> | <u>Positions</u> |
|---|----------------------|----------------|--------------|----------------------|------------------|
| • Homeland Security Emergency Fund | | | | | |
| To provide funding in the event of an emergency for the security of state property, buildings, and personnel, as well as additional operating costs, including overtime, resulting from homeland security needs. These funds will be allotted to the line agencies only when circumstances require it, upon approval of the Commissioner of Finance and Administration and the Director of Homeland Security. | | | | | |
| 351.00 Miscellaneous Appropriations | \$3,000,000 | \$0 | \$0 | \$3,000,000 | 0 |
| Sub-total | \$3,000,000 | \$0 | \$0 | \$3,000,000 | 0 |
| • Presidential Preference Primaries | | | | | |
| To provide funding to conduct the presidential preference primaries in March 2004, pursuant to TCA 2-13-302. The state is to reimburse counties for expenses of holding these primaries, pursuant to TCA 2-12-109(d). | | | | | |
| 351.00 Miscellaneous Appropriations | \$3,500,000 | \$0 | \$0 | \$3,500,000 | 0 |
| Sub-total | \$3,500,000 | \$0 | \$0 | \$3,500,000 | 0 |
| • Performance-Based Budgeting | | | | | |
| To provide funding to continue the implementation of performance-based budgeting with three additional agencies, for a total of six agencies on this basis in 2004-2005. | | | | | |
| 351.00 Miscellaneous Appropriations | \$500,000 | \$0 | \$0 | \$500,000 | 0 |
| Sub-total | \$500,000 | \$0 | \$0 | \$500,000 | 0 |
| Total Miscellaneous Appropriations | \$113,742,100 | \$0 | \$0 | \$113,742,100 | 0 |
| Total General Government | \$113,742,100 | \$0 | \$0 | \$113,742,100 | 0 |

Legislature

As the legislative branch of Tennessee State Government, the General Assembly consists of the Senate and the House of Representatives. The primary powers vested in it by the Constitution of the State include the enactment of laws for all citizens and the financing of state government operations by levying taxes and appropriating state revenues.

Administrative and Support Services

The various support offices of the Legislature are charged with the operational administration of the two houses. Their responsibilities include:

- Printing and distributing bills and calendars during legislative sessions
- Conducting research on legislation
- Summarizing and dispersing information relating to legislation
- Assisting in formulation of legislation
- Providing summaries and abstracts of legislation to be considered
- Rendering legal opinions concerning legislation
- Continually reviewing Public Chapters.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 301.01 Legislative Administration Services | | | | | |
| Full-Time | 18 | 18 | 18 | 0 | 18 |
| Part-Time | 3 | 3 | 3 | 0 | 3 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 21 | 21 | 21 | 0 | 21 |
| Payroll | 866,000 | 1,050,400 | 1,050,400 | 0 | 1,050,400 |
| Operational | 2,950,200 | 3,452,300 | 3,302,300 | 0 | 3,302,300 |
| Total | \$3,816,200 | \$4,502,700 | \$4,352,700 | \$0 | \$4,352,700 |
| State | 3,798,900 | 4,485,700 | 4,094,000 | 0 | 4,094,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 17,300 | 17,000 | 258,700 | 0 | 258,700 |
| 301.16 General Assembly Support Services | | | | | |
| Full-Time | 63 | 63 | 63 | 0 | 63 |
| Part-Time | 29 | 29 | 29 | 0 | 29 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 92 | 92 | 92 | 0 | 92 |
| Payroll | 3,818,200 | 4,653,900 | 4,621,900 | 0 | 4,621,900 |
| Operational | 700,100 | 1,354,900 | 1,079,900 | 0 | 1,079,900 |
| Total | \$4,518,300 | \$6,008,800 | \$5,701,800 | \$0 | \$5,701,800 |
| State | 4,496,300 | 5,938,800 | 4,408,300 | 0 | 4,408,300 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 22,000 | 70,000 | 1,293,500 | 0 | 1,293,500 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 301.17 Tennessee Code Commission | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 68,600 | 69,600 | 69,600 | 0 | 69,600 |
| Total | \$68,600 | \$69,600 | \$69,600 | \$0 | \$69,600 |
| State | 68,600 | 69,600 | 69,600 | 0 | 69,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

Legislative Services

Legislative services provides financial and administrative support for the General Assembly. Funds are disbursed for the payment of Senate and House members' expenses, for the operating costs of the two Speakers, and for expenses incurred by the standing committees of the two houses. Select committees are created to focus on special needs that the General Assembly feels merit closer study. The Fiscal Review Committee informs members of the General Assembly of the economic factors that impact the state. The staff is responsible for preparing fiscal notes on all bills and resolutions that may have a financial effect on the agencies of state government. These notes are also executed for bills that have an effect on local governments.

301.07 House of Representatives

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 206 | 206 | 206 | 0 | 206 |
| Part-Time | 40 | 40 | 40 | 0 | 40 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 246 | 246 | 246 | 0 | 246 |
| Payroll | 8,042,500 | 8,820,400 | 8,820,400 | 0 | 8,820,400 |
| Operational | 2,334,100 | 2,802,800 | 2,774,200 | 0 | 2,774,200 |
| Total | \$10,376,600 | \$11,623,200 | \$11,594,600 | \$0 | \$11,594,600 |
| State | 10,338,000 | 11,594,700 | 11,566,100 | 0 | 11,566,100 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 38,600 | 28,500 | 28,500 | 0 | 28,500 |

301.08 State Senate

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 99 | 99 | 99 | 0 | 99 |
| Part-Time | 54 | 54 | 54 | 0 | 54 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 153 | 153 | 153 | 0 | 153 |
| Payroll | 4,554,000 | 5,116,000 | 5,116,000 | 0 | 5,116,000 |
| Operational | 1,133,800 | 1,001,600 | 973,000 | 0 | 973,000 |
| Total | \$5,687,800 | \$6,117,600 | \$6,089,000 | \$0 | \$6,089,000 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| State | 5,668,000 | 6,095,600 | 6,067,000 | 0 | 6,067,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 19,800 | 22,000 | 22,000 | 0 | 22,000 |

301.13 General Assembly Committees

| | | | | | |
|--------------|------------------|------------------|------------------|------------|------------------|
| Full-Time | 7 | 7 | 7 | 0 | 7 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 7 | 7 | 7 | 0 | 7 |
| Payroll | 352,300 | 389,000 | 389,000 | 0 | 389,000 |
| Operational | 114,700 | 276,700 | 90,100 | 0 | 90,100 |
| Total | \$467,000 | \$665,700 | \$479,100 | \$0 | \$479,100 |
| State | 452,000 | 585,700 | 479,100 | 0 | 479,100 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 15,000 | 80,000 | 0 | 0 | 0 |

301.50 Fiscal Review Committee

| | | | | | |
|--------------|------------------|------------------|------------------|------------|------------------|
| Full-Time | 12 | 12 | 12 | 0 | 12 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 12 | 12 | 12 | 0 | 12 |
| Payroll | 763,300 | 773,200 | 762,900 | 0 | 762,900 |
| Operational | 13,500 | 19,800 | 10,300 | 0 | 10,300 |
| Total | \$776,800 | \$793,000 | \$773,200 | \$0 | \$773,200 |
| State | 762,300 | 793,000 | 721,700 | 0 | 721,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 14,500 | 0 | 51,500 | 0 | 51,500 |

301.00 Department Total

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 405 | 405 | 405 | 0 | 405 |
| Part-Time | 126 | 126 | 126 | 0 | 126 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 531 | 531 | 531 | 0 | 531 |
| Payroll | 18,396,300 | 20,802,900 | 20,760,600 | 0 | 20,760,600 |
| Operational | 7,315,000 | 8,977,700 | 8,299,400 | 0 | 8,299,400 |
| Total | \$25,711,300 | \$29,780,600 | \$29,060,000 | \$0 | \$29,060,000 |
| State | 25,584,100 | 29,563,100 | 27,405,800 | 0 | 27,405,800 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 127,200 | 217,500 | 1,654,200 | 0 | 1,654,200 |

Secretary of State

The Secretary of State is a constitutional officer elected by the General Assembly to record and maintain the official acts of the Governor. The specific duties of the Secretary of State include:

- Recording the acts of the General Assembly
- Registering trademarks
- Receiving and recording corporate charter applications
- Administering the provisions of the Uniform Commercial Code
- Administering the provisions of the Uniform Administrative Procedures Act
- Managing the State Library and Archives and promoting library services in Tennessee
- Coordinating elections in Tennessee
- Administering the statutes relative to charitable solicitations in Tennessee.

The State Election Commission, Registry of Election Finance, and the Economic Council on Women are administratively attached to the Secretary of State. The two program areas which comprise the Secretary of State's Office are Administrative and Support Services and State Library Services.

Administrative and Support Services

Administrative and support services provide services essential to carrying out the responsibilities of the Secretary of State. These responsibilities and programs include:

- Processing and handling record keeping for corporate filings, the Uniform Commercial Code, notaries public, and trademarks
- Hearing contested cases and reviewing administrative records for numerous state agencies and regulatory boards
- Providing information on how donations to charitable organizations are utilized and reviewing these organizations and the for-profit organizations they employ
- Providing fiscal and managerial support to the department
- Providing operational support to the State Election Commission to ensure uniformity in the administration of election laws
- Maintaining public documents on elections and campaigns to be available to the public and media
- Publishing Tennessee Public and Private Acts, the Tennessee Administrative Register, the Compilation of Tennessee Rules and Regulations, the Blue Book, and manuals regarding public elections and corporate filings.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|----------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 305.01 Secretary of State | | | | | |
| Full-Time | 192 | 195 | 195 | 0 | 195 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 192 | 195 | 195 | 0 | 195 |
| Payroll | 8,207,400 | 9,811,600 | 9,799,000 | 0 | 9,799,000 |
| Operational | 3,154,000 | 3,293,900 | 3,245,900 | 0 | 3,245,900 |
| Total | \$11,361,400 | \$13,105,500 | \$13,044,900 | \$0 | \$13,044,900 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| State | 4,248,900 | 8,118,800 | 8,106,200 | 0 | 8,106,200 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 7,112,500 | 4,986,700 | 4,938,700 | 0 | 4,938,700 |

305.02 State Election Commission

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 5 | 5 | 5 | 0 | 5 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 5 | 5 | 5 | 0 | 5 |
| Payroll | 72,600 | 85,300 | 85,300 | 0 | 85,300 |
| Operational | 1,720,900 | 1,738,500 | 1,584,600 | 0 | 1,584,600 |
| Total | \$1,793,500 | \$1,823,800 | \$1,669,900 | \$0 | \$1,669,900 |
| State | 1,793,500 | 1,823,800 | 1,669,900 | 0 | 1,669,900 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

305.03 Public Documents

| | | | | | |
|--------------|------------------|------------------|------------------|------------|------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 350,500 | 507,700 | 507,700 | 0 | 507,700 |
| Total | \$350,500 | \$507,700 | \$507,700 | \$0 | \$507,700 |
| State | 276,900 | 387,700 | 387,700 | 0 | 387,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 73,600 | 120,000 | 120,000 | 0 | 120,000 |

The Registry of Election Finance provides enforcement of the reporting requirements of the Campaign Financial Disclosure Law, Lobbyist Registration and Disclosure Law, and Conflict of Interest Disclosure Law. The registry also provides disclosure information to which the public is entitled by law.

305.07 Registry of Election Finance

| | | | | | |
|--------------|------------------|------------------|------------------|------------|------------------|
| Full-Time | 5 | 5 | 5 | 0 | 5 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 5 | 5 | 5 | 0 | 5 |
| Payroll | 233,200 | 268,200 | 260,200 | 0 | 260,200 |
| Operational | 75,600 | 85,100 | 85,100 | 0 | 85,100 |
| Total | \$308,800 | \$353,300 | \$345,300 | \$0 | \$345,300 |
| State | 247,100 | 329,300 | 321,300 | 0 | 321,300 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 61,700 | 24,000 | 24,000 | 0 | 24,000 |

State Library Services

Responsibilities of state library services include:

- Managing the State Library and Archives, including the Regional Library System
- Acquiring, restoring, and preserving historical material for public use
- Providing special library services to aged, isolated, economically and culturally disadvantaged, and disabled citizens, including the Library for the Blind and Physically Handicapped
- Providing access to collections for both government and public use
- Assisting local public libraries through the state regional library system
- Administering federal funds provided for library construction and renovation.

305.04 State Library and Archives

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 106 | 106 | 97 | 0 | 97 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 106 | 106 | 97 | 0 | 97 |
| Payroll | 4,206,700 | 4,628,000 | 4,348,000 | 0 | 4,348,000 |
| Operational | 4,077,500 | 4,628,400 | 4,397,400 | 0 | 4,397,400 |
| Total | \$8,284,200 | \$9,256,400 | \$8,745,400 | \$0 | \$8,745,400 |
| State | 5,393,900 | 6,149,800 | 5,823,800 | 0 | 5,823,800 |
| Federal | 2,394,800 | 2,587,700 | 2,587,700 | 0 | 2,587,700 |
| Other | 495,500 | 518,900 | 333,900 | 0 | 333,900 |

305.05 Regional Library System

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 93 | 93 | 93 | 0 | 93 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 93 | 93 | 93 | 0 | 93 |
| Payroll | 3,436,300 | 3,733,100 | 3,733,100 | 0 | 3,733,100 |
| Operational | 1,513,800 | 3,911,300 | 3,717,900 | 0 | 3,717,900 |
| Total | \$4,950,100 | \$7,644,400 | \$7,451,000 | \$0 | \$7,451,000 |
| State | 4,279,400 | 6,945,400 | 6,752,000 | 0 | 6,752,000 |
| Federal | 539,900 | 559,000 | 559,000 | 0 | 559,000 |
| Other | 130,800 | 140,000 | 140,000 | 0 | 140,000 |

305.06 Library Construction

| | | | | | |
|--------------|------------------|------------------|------------------|------------|------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 225,400 | 400,000 | 400,000 | 0 | 400,000 |
| Total | \$225,400 | \$400,000 | \$400,000 | \$0 | \$400,000 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 214,100 | 400,000 | 400,000 | 0 | 400,000 |
| Other | 11,300 | 0 | 0 | 0 | 0 |

Economic Council on Women

The 21 member Economic Council on Women was established to address the economic concerns and needs of women in Tennessee. The council conducts research, holds hearings, and develops policy recommendations relating to the effects of employment policies and practices, educational needs and opportunities, child care, property rights, health care, domestic relations, and federal and state laws on women.

305.08 Economic Council on Women

| | | | | | |
|--------------|------------------|------------------|------------------|------------|------------------|
| Full-Time | 3 | 3 | 3 | 0 | 3 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 3 | 3 | 3 | 0 | 3 |
| Payroll | 126,100 | 128,600 | 128,600 | 0 | 128,600 |
| Operational | 31,700 | 69,200 | 35,200 | 0 | 35,200 |
| Total | \$157,800 | \$197,800 | \$163,800 | \$0 | \$163,800 |
| State | 92,200 | 97,800 | 95,800 | 0 | 95,800 |
| Federal | 5,000 | 0 | 0 | 0 | 0 |
| Other | 60,600 | 100,000 | 68,000 | 0 | 68,000 |

305.00 Department Total

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 399 | 402 | 393 | 0 | 393 |
| Part-Time | 5 | 5 | 5 | 0 | 5 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 404 | 407 | 398 | 0 | 398 |
| Payroll | 16,282,300 | 18,654,800 | 18,354,200 | 0 | 18,354,200 |
| Operational | 11,149,400 | 14,634,100 | 13,973,800 | 0 | 13,973,800 |
| Total | \$27,431,700 | \$33,288,900 | \$32,328,000 | \$0 | \$32,328,000 |
| State | 16,331,900 | 23,852,600 | 23,156,700 | 0 | 23,156,700 |
| Federal | 3,153,800 | 3,546,700 | 3,546,700 | 0 | 3,546,700 |
| Other | 7,946,000 | 5,889,600 | 5,624,600 | 0 | 5,624,600 |

Comptroller of the Treasury

The Comptroller is a constitutional officer elected by the General Assembly. Statutory duties include the audit of state and local governments, management of the state debt, support of the General Assembly and its committees, participation in the general financial and administrative management of state government, administration of property assessment for tax purposes, and support of local governments. The Comptroller administers the following functional areas:

- Administrative and support services
- Audit services
- Bond finance services
- Services to local governments
- Offices of Research and Education Accountability
- Office of State Assessed Properties.

Administrative and Support Services

The administrative and support programs direct and coordinate administrative activities within various divisions of the Comptroller's office. They also provide printing, duplicating, and processing of out-going mail for the legislative and constitutional offices.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 307.01 Division of Administration | | | | | |
| Full-Time | 7 | 7 | 7 | 0 | 7 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 7 | 7 | 7 | 0 | 7 |
| Payroll | 533,500 | 616,600 | 616,600 | 0 | 616,600 |
| Operational | 107,700 | 121,100 | 121,100 | 0 | 121,100 |
| Total | \$641,200 | \$737,700 | \$737,700 | \$0 | \$737,700 |
| State | 538,500 | 635,800 | 635,800 | 0 | 635,800 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 102,700 | 101,900 | 101,900 | 0 | 101,900 |
| 307.02 Office of Management Services | | | | | |
| Full-Time | 44 | 44 | 44 | 0 | 44 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 44 | 44 | 44 | 0 | 44 |
| Payroll | 2,355,900 | 2,437,700 | 2,437,700 | 0 | 2,437,700 |
| Operational | 1,542,100 | 3,138,700 | 3,056,800 | 0 | 3,056,800 |
| Total | \$3,898,000 | \$5,576,400 | \$5,494,500 | \$0 | \$5,494,500 |
| State | 3,828,400 | 5,488,300 | 5,286,000 | 0 | 5,286,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 69,600 | 88,100 | 208,500 | 0 | 208,500 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|----------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 307.03 Capitol Print Shop | | | | | |
| Full-Time | 17 | 17 | 17 | 0 | 17 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 17 | 17 | 17 | 0 | 17 |
| Payroll | 486,900 | 656,600 | 656,600 | 0 | 656,600 |
| Operational | 474,300 | 740,100 | 740,100 | 0 | 740,100 |
| Total | \$961,200 | \$1,396,700 | \$1,396,700 | \$0 | \$1,396,700 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 961,200 | 1,396,700 | 1,396,700 | 0 | 1,396,700 |

Audit Services

The audit divisions are responsible for conducting post-audits of the state's Comprehensive Annual Financial Report and other entities and grantees as required by federal and state law and in compliance with government auditing standards. The divisions also audit all counties, or in lieu of a state audit, accept an audit prepared by a certified public accountant or a licensed public accountant. Likewise, the divisions provide for the audit of all municipalities, schools, and utility districts in the state. The divisions set rates for nursing facilities that participate in the state TennCare program and conduct financial related reviews of Managed Care Organizations (MCOs) and Behavioral Health Organizations (BHOs).

307.04 Division of State Audit

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 200 | 200 | 200 | 0 | 200 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 200 | 200 | 200 | 0 | 200 |
| Payroll | 10,279,600 | 11,046,900 | 10,896,900 | 0 | 10,896,900 |
| Operational | 1,163,900 | 1,579,600 | 1,534,600 | 0 | 1,534,600 |
| Total | \$11,443,500 | \$12,626,500 | \$12,431,500 | \$0 | \$12,431,500 |
| State | 6,976,400 | 8,502,700 | 8,227,700 | 0 | 8,227,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 4,467,100 | 4,123,800 | 4,203,800 | 0 | 4,203,800 |

307.05 Division of County Audit

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 92 | 92 | 92 | 0 | 92 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 92 | 92 | 92 | 0 | 92 |
| Payroll | 5,407,600 | 5,698,100 | 5,698,100 | 0 | 5,698,100 |
| Operational | 708,500 | 797,900 | 782,900 | 0 | 782,900 |
| Total | \$6,116,100 | \$6,496,000 | \$6,481,000 | \$0 | \$6,481,000 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| State | 5,200,600 | 5,696,000 | 3,731,000 | 0 | 3,731,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 915,500 | 800,000 | 2,750,000 | 0 | 2,750,000 |

307.06 Division of Municipal Audit

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 19 | 19 | 19 | 0 | 19 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 19 | 19 | 19 | 0 | 19 |
| Payroll | 1,113,700 | 1,205,100 | 1,205,100 | 0 | 1,205,100 |
| Operational | 152,100 | 241,100 | 231,100 | 0 | 231,100 |
| Total | \$1,265,800 | \$1,446,200 | \$1,436,200 | \$0 | \$1,436,200 |
| State | 1,056,000 | 1,283,200 | 1,221,200 | 0 | 1,221,200 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 209,800 | 163,000 | 215,000 | 0 | 215,000 |

Bond Finance Services

The bond finance function is responsible for providing services related to the state's general obligation debt issued by the state Funding Board; the revenue debt for the Tennessee Local Development Authority (TLDA); the revenue debt by the Tennessee Housing Development Agency (THDA), and the Tennessee State School Bond Authority (TSSBA). The Division of Bond Finance is responsible for administering the financing programs of these issuers.

307.07 Division of Bond Finance

| | | | | | |
|--------------|------------------|------------------|------------------|------------|------------------|
| Full-Time | 9 | 9 | 9 | 0 | 9 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 9 | 9 | 9 | 0 | 9 |
| Payroll | 389,400 | 515,100 | 515,100 | 0 | 515,100 |
| Operational | 113,700 | 216,400 | 216,400 | 0 | 216,400 |
| Total | \$503,100 | \$731,500 | \$731,500 | \$0 | \$731,500 |
| State | 263,000 | 320,500 | 320,500 | 0 | 320,500 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 240,100 | 411,000 | 411,000 | 0 | 411,000 |

Services to Local Governments

The local government functional area works toward improving the operation of the state's city and county governments by providing assistance and information that affects the state and local governments. In addition, they are required to assist local governments with debt management and ensure that local governments adopt balanced budgets. They also act as an agent and liaison between state, county, and city ad valorem tax assessments and collecting officials. They serve property assessors and tax collecting officials through property reappraisal assistance, computerized tax billing, computer-assisted appraisal systems, maintenance of property

ownership maps, and reimbursement to certain elderly, disabled, or disabled veteran homeowners for a part or all of property taxes paid. Further, they develop policies and hear appeals regarding property tax assessments, exemptions, and tax relief.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 307.08 Office of Local Government | | | | | |
| Full-Time | 4 | 4 | 4 | 0 | 4 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 4 | 4 | 4 | 0 | 4 |
| Payroll | 206,100 | 237,600 | 237,600 | 0 | 237,600 |
| Operational | 27,900 | 61,300 | 61,300 | 0 | 61,300 |
| Total | \$234,000 | \$298,900 | \$298,900 | \$0 | \$298,900 |
| State | 230,800 | 298,900 | 298,900 | 0 | 298,900 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 3,200 | 0 | 0 | 0 | 0 |
| 307.09 Division of Property Assessments | | | | | |
| Full-Time | 170 | 170 | 170 | 0 | 170 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 21 | 21 | 21 | 0 | 21 |
| Total | 191 | 191 | 191 | 0 | 191 |
| Payroll | 6,483,300 | 7,078,800 | 6,908,800 | 0 | 6,908,800 |
| Operational | 1,795,200 | 2,364,200 | 2,314,700 | 0 | 2,314,700 |
| Total | \$8,278,500 | \$9,443,000 | \$9,223,500 | \$0 | \$9,223,500 |
| State | 6,500,400 | 7,828,000 | 7,608,500 | 0 | 7,608,500 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,778,100 | 1,615,000 | 1,615,000 | 0 | 1,615,000 |
| 307.10 Tax Relief | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 9,979,100 | 10,000,000 | 10,000,000 | 0 | 10,000,000 |
| Total | \$9,979,100 | \$10,000,000 | \$10,000,000 | \$0 | \$10,000,000 |
| State | 9,979,100 | 10,000,000 | 10,000,000 | 0 | 10,000,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| 307.11 State Board of Equalization | | | | | |
| Full-Time | 10 | 10 | 10 | 0 | 10 |
| Part-Time | 8 | 8 | 8 | 0 | 8 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 18 | 18 | 18 | 0 | 18 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 599,900 | 634,600 | 634,600 | 0 | 634,600 |
| Operational | 2,280,900 | 2,422,600 | 1,857,500 | 0 | 1,857,500 |
| Total | \$2,880,800 | \$3,057,200 | \$2,492,100 | \$0 | \$2,492,100 |
| State | 2,859,000 | 3,044,700 | 2,479,600 | 0 | 2,479,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 21,800 | 12,500 | 12,500 | 0 | 12,500 |

307.12 Division of Local Finance

| | | | | | |
|--------------|------------------|------------------|------------------|------------|------------------|
| Full-Time | 5 | 5 | 5 | 0 | 5 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 5 | 5 | 5 | 0 | 5 |
| Payroll | 251,300 | 284,200 | 284,200 | 0 | 284,200 |
| Operational | 47,700 | 57,100 | 57,100 | 0 | 57,100 |
| Total | \$299,000 | \$341,300 | \$341,300 | \$0 | \$341,300 |
| State | 299,000 | 341,300 | 341,300 | 0 | 341,300 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

Offices of Research and Education Accountability

The Offices of Research and Education Accountability provide research and staff support for the General Assembly and provides oversight for the state's K-12 education system according to the Education Improvement Act.

307.14 Offices of Research and Education Accountability

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 20 | 20 | 20 | 0 | 20 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 20 | 20 | 20 | 0 | 20 |
| Payroll | 912,200 | 1,020,800 | 1,020,800 | 0 | 1,020,800 |
| Operational | 905,200 | 765,700 | 765,700 | 0 | 765,700 |
| Total | \$1,817,400 | \$1,786,500 | \$1,786,500 | \$0 | \$1,786,500 |
| State | 1,056,400 | 1,233,900 | 1,233,900 | 0 | 1,233,900 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 761,000 | 552,600 | 552,600 | 0 | 552,600 |

Office of State Assessed Properties

The Office of State Assessed Properties annually assesses all tangible and intangible properties for tax purposes at the state, county, and municipal levels. In addition, the division also assesses personal properties used and/or leased by the companies under its jurisdiction and conducts audits of public utility and transportation companies.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 307.15 Office of State Assessed Properties | | | | | |
| Full-Time | 13 | 14 | 14 | 0 | 14 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 13 | 14 | 14 | 0 | 14 |
| Payroll | 507,800 | 682,400 | 682,400 | 0 | 682,400 |
| Operational | 111,600 | 156,400 | 156,400 | 0 | 156,400 |
| Total | \$619,400 | \$838,800 | \$838,800 | \$0 | \$838,800 |
| State | 617,400 | 838,800 | 838,800 | 0 | 838,800 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 2,000 | 0 | 0 | 0 | 0 |
| 307.00 Department Total | | | | | |
| Full-Time | 610 | 611 | 611 | 0 | 611 |
| Part-Time | 8 | 8 | 8 | 0 | 8 |
| Seasonal | 21 | 21 | 21 | 0 | 21 |
| Total | 639 | 640 | 640 | 0 | 640 |
| Payroll | 29,527,200 | 32,114,500 | 31,794,500 | 0 | 31,794,500 |
| Operational | 19,409,900 | 22,662,200 | 21,895,700 | 0 | 21,895,700 |
| Total | \$48,937,100 | \$54,776,700 | \$53,690,200 | \$0 | \$53,690,200 |
| State | 39,405,000 | 45,512,100 | 42,223,200 | 0 | 42,223,200 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 9,532,100 | 9,264,600 | 11,467,000 | 0 | 11,467,000 |

Treasury Department

The State Treasurer is a constitutional officer elected by the General Assembly. The Treasurer is charged with various responsibilities and duties relating to the financial operations of state government. The duties of the State Treasurer include:

- Administering the Tennessee Consolidated Retirement System which provides retirement coverage to state employees, higher education employees, teachers, and employees of political subdivisions that have elected to participate in the plan
- Managing the State Pooled Investment Fund which includes the state’s cash, the various reserves, trust funds of the state, and the Local Government Investment Pool
- Overseeing the State Employees’ Deferred Compensation Program and the State Employees’ Flexible Benefits Plan
- Directing the staff of the Claims Administration and Risk Management divisions
- Administering the Baccalaureate Education System Trust (BEST) to assist students or their families in financing a portion of the costs of attending colleges and universities
- Overseeing the three-member claims commission which is administratively attached to the Treasury. Payments are awarded from the Claims Award Fund administered by the State Treasurer in cases of employee negligence and for state employee workers’ compensation claims, contract actions, and tax recovery.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|-----------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 309.01 Treasury Department | | | | | |
| Full-Time | 207 | 204 | 204 | 0 | 204 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 207 | 204 | 204 | 0 | 204 |
| Payroll | 9,365,500 | 10,665,400 | 10,665,400 | 0 | 10,665,400 |
| Operational | 4,021,000 | 6,705,700 | 5,672,200 | 0 | 5,672,200 |
| Total | \$13,386,500 | \$17,371,100 | \$16,337,600 | \$0 | \$16,337,600 |
| State | 0 | 530,000 | 81,200 | 0 | 81,200 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 13,386,500 | 16,841,100 | 16,256,400 | 0 | 16,256,400 |

The State Treasurer also administers an annual educational incentive payment program for certain county officials who complete the advanced level of a three-level certificate training program. This program is offered by the University of Tennessee Institute for Public Service’s Center for Government Training. The “Certified Public Administrators” must maintain continuing education in order to qualify for these annual educational incentive payments.

309.02 Certified Public Administrators

| | | | | | |
|--------------|-----------------|-----------------|-----------------|------------|-----------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 58,900 | 60,200 | 54,800 | 0 | 54,800 |
| Total | \$58,900 | \$60,200 | \$54,800 | \$0 | \$54,800 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| State | 58,900 | 60,200 | 54,800 | 0 | 54,800 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

309.00 Department Total

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 207 | 204 | 204 | 0 | 204 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 207 | 204 | 204 | 0 | 204 |
| Payroll | 9,365,500 | 10,665,400 | 10,665,400 | 0 | 10,665,400 |
| Operational | 4,079,900 | 6,765,900 | 5,727,000 | 0 | 5,727,000 |
| Total | \$13,445,400 | \$17,431,300 | \$16,392,400 | \$0 | \$16,392,400 |
| State | 58,900 | 590,200 | 136,000 | 0 | 136,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 13,386,500 | 16,841,100 | 16,256,400 | 0 | 16,256,400 |

Claims and Compensation

Claims and Compensation handles all claims filed with the state. Claims administered include the Criminal Injuries Compensation Fund (CICF), Risk Management, Claims Award Fund (CAF), and Unclaimed Property. Their responsibilities include the following:

- Making payments to defray the costs of medical services, loss of earning, burial costs, and other pecuniary losses to either the victim of a crime or to the dependents of deceased victims
- Maintaining adequate insurance against damage or loss for all state-owned property
- Servicing claims for risk of loss to which the state is exposed including general liability, automobile liability, professional malpractice, and worker's compensation
- Taking custody of abandoned property and attempting to locate the rightful owners or their heirs.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 313.03 Criminal Injuries Compensation | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 12,502,300 | 11,641,300 | 12,576,500 | 0 | 12,576,500 |
| Total | \$12,502,300 | \$11,641,300 | \$12,576,500 | \$0 | \$12,576,500 |
| State | 8,270,700 | 8,245,300 | 8,125,500 | 0 | 8,125,500 |
| Federal | 2,070,000 | 3,396,000 | 4,451,000 | 0 | 4,451,000 |
| Other | 2,161,600 | 0 | 0 | 0 | 0 |
| 313.06 Risk Management | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 1,165,300 | 1,753,200 | 2,189,200 | 0 | 2,189,200 |
| Total | \$1,165,300 | \$1,753,200 | \$2,189,200 | \$0 | \$2,189,200 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,165,300 | 1,753,200 | 2,189,200 | 0 | 2,189,200 |
| 313.10 Claims Award Fund | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 38,003,900 | 35,369,000 | 44,396,200 | 0 | 44,396,200 |
| Total | \$38,003,900 | \$35,369,000 | \$44,396,200 | \$0 | \$44,396,200 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 38,003,900 | 35,369,000 | 44,396,200 | 0 | 44,396,200 |

313.20 Unclaimed Property

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 11,037,100 | 10,975,000 | 13,275,000 | 0 | 13,275,000 |
| Total | \$11,037,100 | \$10,975,000 | \$13,275,000 | \$0 | \$13,275,000 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 11,037,100 | 10,975,000 | 13,275,000 | 0 | 13,275,000 |

313.00 Department Total

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 62,708,600 | 59,738,500 | 72,436,900 | 0 | 72,436,900 |
| Total | \$62,708,600 | \$59,738,500 | \$72,436,900 | \$0 | \$72,436,900 |
| State | 8,270,700 | 8,245,300 | 8,125,500 | 0 | 8,125,500 |
| Federal | 2,070,000 | 3,396,000 | 4,451,000 | 0 | 4,451,000 |
| Other | 52,367,900 | 48,097,200 | 59,860,400 | 0 | 59,860,400 |

Executive Department

The Executive Department oversees the daily operation of state government and is responsible for ensuring that state laws are enforced, taxes are collected, and public funds are spent wisely. The department is comprised of the Governor's Office, Intergovernmental Conferences, the Gubernatorial Transition Office, and the Office of Homeland Security.

The Governor's Office has responsibility for the overall operation of state government. The Governor appoints commissioners and directors of executive branch agencies. His staff works with state agencies and the Legislature to design and implement specific program priorities. In addition, the staff provides policy research and recommendations for the effective operation of government. Mail and phone correspondence with Tennessee citizens is also processed by the Governor's staff.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 315.01 Governor's Office | | | | | |
| Full-Time | 43 | 43 | 40 | 0 | 40 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 43 | 43 | 40 | 0 | 40 |
| Payroll | 2,134,900 | 2,599,600 | 2,473,100 | 0 | 2,473,100 |
| Operational | 833,600 | 1,070,300 | 866,500 | 0 | 866,500 |
| Total | \$2,968,500 | \$3,669,900 | \$3,339,600 | \$0 | \$3,339,600 |
| State | 2,968,500 | 3,669,900 | 3,339,600 | 0 | 3,339,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

The Intergovernmental Conferences division funds Tennessee's participation in the Council of State Governments and other intergovernmental organizations and activities.

315.02 Intergovernmental Conferences

| | | | | | |
|--------------|------------------|------------------|------------------|------------|------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 364,600 | 393,000 | 393,000 | 0 | 393,000 |
| Total | \$364,600 | \$393,000 | \$393,000 | \$0 | \$393,000 |
| State | 364,600 | 393,000 | 393,000 | 0 | 393,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

The Gubernatorial Transition Office will facilitate the transition between executive administrations, in accordance with Tennessee Code Annotated, Section 8-1-202.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 315.04 Gubernatorial Transition Office | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 8 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 8 | 0 | 0 | 0 |
| Payroll | 0 | 200,000 | 0 | 0 | 0 |
| Operational | 0 | 50,000 | 0 | 0 | 0 |
| Total | \$0 | \$250,000 | \$0 | \$0 | \$0 |
| State | 0 | 250,000 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

The mission of the Office of Homeland Security is to develop and coordinate the implementation of a comprehensive strategy to secure the State of Tennessee from terrorist threats and attacks.

315.05 Office of Homeland Security

| | | | | | |
|--------------|------------------|------------------|------------------|------------|------------------|
| Full-Time | 4 | 6 | 6 | 0 | 6 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 4 | 6 | 6 | 0 | 6 |
| Payroll | 123,100 | 331,000 | 331,000 | 0 | 331,000 |
| Operational | 128,400 | 446,700 | 446,700 | 0 | 446,700 |
| Total | \$251,500 | \$777,700 | \$777,700 | \$0 | \$777,700 |
| State | 251,000 | 777,700 | 777,700 | 0 | 777,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 500 | 0 | 0 | 0 | 0 |

315.00 Department Total

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 47 | 49 | 46 | 0 | 46 |
| Part-Time | 0 | 8 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 47 | 57 | 46 | 0 | 46 |
| Payroll | 2,258,000 | 3,130,600 | 2,804,100 | 0 | 2,804,100 |
| Operational | 1,326,600 | 1,960,000 | 1,706,200 | 0 | 1,706,200 |
| Total | \$3,584,600 | \$5,090,600 | \$4,510,300 | \$0 | \$4,510,300 |
| State | 3,584,100 | 5,090,600 | 4,510,300 | 0 | 4,510,300 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 500 | 0 | 0 | 0 | 0 |

Human Rights Commission

The Tennessee Human Rights Commission (THRC) is charged with the responsibility of ensuring fair and equal treatment for all Tennesseans in employment, housing, and public accommodations without regard to race, color, religion, sex, age, handicap, or national origin. THRC is also charged with the responsibility to monitor other state agencies' compliance with the expenditure of federal funds in regards to civil rights.

THRC cooperates with local government, civic, and religious groups in disseminating information, promoting activities, and providing leadership to increase public awareness of civil rights and equal opportunity.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 316.04 Human Rights Commission | | | | | |
| Full-Time | 30 | 30 | 27 | 0 | 27 |
| Part-Time | 1 | 1 | 1 | 0 | 1 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 31 | 31 | 28 | 0 | 28 |
| Payroll | 1,300,200 | 1,441,300 | 1,342,600 | 0 | 1,342,600 |
| Operational | 481,100 | 507,000 | 446,700 | 0 | 446,700 |
| Total | \$1,781,300 | \$1,948,300 | \$1,789,300 | \$0 | \$1,789,300 |
| State | 983,700 | 1,489,400 | 1,355,400 | 0 | 1,355,400 |
| Federal | 797,600 | 433,900 | 433,900 | 0 | 433,900 |
| Other | 0 | 25,000 | 0 | 0 | 0 |

Tennessee Regulatory Authority

The Tennessee Regulatory Authority (TRA) is a quasi-judicial body. Leadership for the agency is comprised of four directors, three of whom are appointed for six-year terms by the Governor, House Speaker, and Senate Speaker. The fourth director is appointed by the Governor, House Speaker, and Senate Speaker collectively. The TRA's mission is to promote the public interest by balancing the interests of utility consumers and providers while facilitating the transition to a more competitive environment. The functions of the TRA include:

- Regulating the quality of service provided and compliance with regulations by public utilities such as gas, electric, water, and telephone
- Granting of operating authority to public utilities and adjudicating conflicts and controversies arising from utility operations
- Protecting the public from the accidental release of natural gas by monitoring compliance of distribution systems with minimum federal and state safety standards
- Administering the state's "Do Not Call" program which gives the residents of Tennessee the option not to receive solicitation calls from telemarketers
- Administering the Telecommunications Device Access Program which provides telecommunications equipment to the state's deaf, blind, and hearing impaired population.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 316.11 Tennessee Regulatory Authority | | | | | |
| Full-Time | 90 | 90 | 90 | 0 | 90 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 90 | 90 | 90 | 0 | 90 |
| Payroll | 4,666,500 | 5,490,000 | 5,490,000 | 0 | 5,490,000 |
| Operational | 2,030,700 | 2,452,700 | 2,452,700 | 0 | 2,452,700 |
| Total | \$6,697,200 | \$7,942,700 | \$7,942,700 | \$0 | \$7,942,700 |
| State | 6,401,900 | 7,617,500 | 7,588,600 | 0 | 7,588,600 |
| Federal | 291,200 | 317,200 | 350,000 | 0 | 350,000 |
| Other | 4,100 | 8,000 | 4,100 | 0 | 4,100 |

Advisory Commission on Intergovernmental Relations

The Tennessee Advisory Commission on Intergovernmental Relations (TACIR) was created to monitor federal, state, and local government relations and to make recommendations for improvement to the Legislature. The commission is comprised of representatives from the executive and legislative branches of state government, county and municipal governments, and the public. The commission serves as a bipartisan forum for the discussion of intergovernmental issues and may initiate studies resulting in legislative proposals and constitutional amendments. The commission responds to requests for technical assistance from the General Assembly, state agencies, and local governments.

Current studies and activities directed by the General Assembly for TACIR include:

- Property Assessment System in Tennessee
- Implementation of Tennessee Code Annotated 6-58-113 relative to Tennessee’s growth policy, annexation, and incorporation law
- Compilation and maintenance of an inventory of public infrastructure needs
- Analyze the boards of commissioners of utility districts.

Major on-going areas of TACIR studies and activities include:

- Determining fiscal capacity measures for the Basic Education Plan
- Education finance
- Issues related to Tennessee tax structure
- Other state, local, and federal fiscal issues
- Government modernization
- Intergovernmental issues.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 316.12 Advisory Commission on Intergovernmental Relations | | | | | |
| Full-Time | 16 | 16 | 16 | 0 | 16 |
| Part-Time | 2 | 2 | 2 | 0 | 2 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 18 | 18 | 18 | 0 | 18 |
| Payroll | 877,200 | 1,039,500 | 1,039,500 | 0 | 1,039,500 |
| Operational | 1,017,200 | 1,082,000 | 1,046,700 | 0 | 1,046,700 |
| Total | \$1,894,400 | \$2,121,500 | \$2,086,200 | \$0 | \$2,086,200 |
| State | 5,400 | 470,900 | 280,000 | 0 | 280,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,889,000 | 1,650,600 | 1,806,200 | 0 | 1,806,200 |

Tax Structure Study Commission

The Tax Structure Study Commission was created effective July 4, 2002, by Public Chapter 856. The commission must report its findings, recommendations, and any proposed legislation to the General Assembly on or before July 1, 2004, at which time the commission will terminate.

According to the law, the commission will perform a comprehensive study of the tax structure in Tennessee. The study will include state taxes, local taxes, special district taxes, and state-shared taxes. The commission will study the elasticity of the current tax structure, the effect of electronic-commerce upon the current tax structure, the method of allocation of state tax revenue, the effect of allocation of tax revenue based on situs of collection, current distribution formulas for tax revenue, special allocations of tax revenue based on population or tourism-related special treatment, and the deductibility of state and local taxes from federal taxes.

The commission also will study issues pertaining to exportability and federal deductibility of Tennessee's state and local taxes. The commission will evaluate the impact of various taxes upon the state's business climate and economic competitiveness. Issues involved in franchise, excise, and other business taxes also will be considered.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 316.31 Tax Structure Study Commission | | | | | |
| Full-Time | 0 | 2 | 2 | 0 | 2 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 2 | 2 | 0 | 2 |
| Payroll | 0 | 151,200 | 151,200 | 0 | 151,200 |
| Operational | 0 | 248,800 | 223,800 | 0 | 223,800 |
| Total | \$0 | \$400,000 | \$375,000 | \$0 | \$375,000 |
| State | 0 | 400,000 | 375,000 | 0 | 375,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

Department of Finance and Administration

The Department of Finance and Administration assists the Governor in developing and implementing the administration's fiscal and managerial policies. The Commissioner of Finance and Administration serves as the Governor's chief cabinet officer and directs the department's specific responsibilities. These responsibilities involve the coordination of a number of state government activities that are provided through administrative services, fiscal and management services, and capital and facilities management services.

Administrative Services

The administrative services of this department relate to the management of the state's information system needs, the contracting of professional services, insurance benefits management, grants monitoring, program evaluation, and intra-departmental support. Specific responsibilities include:

- Managing the centralized information system
- Planning, developing, and implementing new information systems
- Managing and supporting voice and data communications
- Providing agencies with technical assistance for their systems
- Providing staff support to the Information Systems Council
- Managing the insurance benefits available to state, local education, and local government employees
- Administering federal grants associated with illegal drug control, the Victims of Crime Assistance Program, the Family Violence Program, and the improvement of criminal justice information systems
- Administering the AmeriCorps and Learn & Serve grant programs
- Coordinating the state's strategic planning and performance based budgeting initiatives
- Supporting department programs by providing auditing, consulting, fiscal analysis and processing, legal services, human resources management, and information systems management
- Managing the state's contracting process, including review of subrecipient contracts.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 317.01 Division of Administration | | | | | |
| Full-Time | 88 | 87 | 79 | 0 | 79 |
| Part-Time | 1 | 1 | 1 | 0 | 1 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 89 | 88 | 80 | 0 | 80 |
| Payroll | 3,935,200 | 5,022,300 | 4,692,400 | 0 | 4,692,400 |
| Operational | 4,075,000 | 5,879,500 | 5,339,400 | 0 | 5,339,400 |
| Total | \$8,010,200 | \$10,901,800 | \$10,031,800 | \$0 | \$10,031,800 |
| State | 911,900 | 1,459,900 | 1,155,600 | 0 | 1,155,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 7,098,300 | 9,441,900 | 8,876,200 | 0 | 8,876,200 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 317.03 Office of Information Resources | | | | | |
| Full-Time | 350 | 375 | 374 | 0 | 374 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 350 | 375 | 374 | 0 | 374 |
| Payroll | 19,099,900 | 23,882,200 | 23,805,200 | 0 | 23,805,200 |
| Operational | 110,182,900 | 124,645,300 | 113,509,700 | 0 | 113,509,700 |
| Total | \$129,282,800 | \$148,527,500 | \$137,314,900 | \$0 | \$137,314,900 |
| State | 0 | 2,500,000 | 2,275,000 | 0 | 2,275,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 129,282,800 | 146,027,500 | 135,039,900 | 0 | 135,039,900 |
| 317.04 Insurance Administration | | | | | |
| Full-Time | 39 | 40 | 39 | 0 | 39 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 39 | 40 | 39 | 0 | 39 |
| Payroll | 1,705,400 | 1,868,100 | 1,844,800 | 0 | 1,844,800 |
| Operational | 2,355,900 | 2,655,200 | 2,467,000 | 0 | 2,467,000 |
| Total | \$4,061,300 | \$4,523,300 | \$4,311,800 | \$0 | \$4,311,800 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 4,061,300 | 4,523,300 | 4,311,800 | 0 | 4,311,800 |
| 317.06 Criminal Justice Programs | | | | | |
| Full-Time | 13 | 13 | 13 | 0 | 13 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 13 | 13 | 13 | 0 | 13 |
| Payroll | 650,300 | 732,100 | 732,100 | 0 | 732,100 |
| Operational | 24,330,100 | 28,938,400 | 28,935,600 | 0 | 28,935,600 |
| Total | \$24,980,400 | \$29,670,500 | \$29,667,700 | \$0 | \$29,667,700 |
| State | 1,450,000 | 2,310,700 | 2,310,500 | 0 | 2,310,500 |
| Federal | 23,491,800 | 27,359,800 | 27,350,400 | 0 | 27,350,400 |
| Other | 38,600 | 0 | 6,800 | 0 | 6,800 |
| 317.07 Resource Development and Support | | | | | |
| Full-Time | 94 | 94 | 78 | 0 | 78 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 94 | 94 | 78 | 0 | 78 |
| Payroll | 3,669,300 | 4,802,100 | 4,198,800 | 0 | 4,198,800 |
| Operational | 1,243,900 | 2,632,200 | 1,671,900 | 0 | 1,671,900 |
| Total | \$4,913,200 | \$7,434,300 | \$5,870,700 | \$0 | \$5,870,700 |
| State | 728,400 | 949,900 | 866,700 | 0 | 866,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 4,184,800 | 6,484,400 | 5,004,000 | 0 | 5,004,000 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 317.11 National and Community Service | | | | | |
| Full-Time | 5 | 6 | 6 | 0 | 6 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 5 | 6 | 6 | 0 | 6 |
| Payroll | 224,900 | 319,100 | 319,100 | 0 | 319,100 |
| Operational | 3,251,200 | 5,026,700 | 5,025,700 | 0 | 5,025,700 |
| Total | \$3,476,100 | \$5,345,800 | \$5,344,800 | \$0 | \$5,344,800 |
| State | 135,000 | 215,300 | 215,300 | 0 | 215,300 |
| Federal | 3,208,200 | 5,006,600 | 5,021,800 | 0 | 5,021,800 |
| Other | 132,900 | 123,900 | 107,700 | 0 | 107,700 |

Fiscal and Management Services

The services provided to state agencies by this functional area are the development and implementation of policies pertaining to the fiscal and managerial aspects of state government. These responsibilities include:

- Preparing, implementing, and monitoring the state budget
- Evaluating the budgetary needs and requests of all state agencies
- Incorporating the budgetary priorities into the Governor's budget
- Tracking the budget through the legislative committee process
- Revising the budget to include legislative changes
- Implementing and monitoring each agency's finalized annual budget
- Monitoring the fiscal impact of state-related federal legislation
- Conducting research for the commissioner
- Accounting for state revenues and expenditures
- Generating the state's payroll
- Providing financial management reports to departments
- Providing reports to departmental management on revenues and expenditures
- Analyzing the operations of various program areas
- Publishing the state's Consolidated Annual Financial Report
- Establishing the state's fiscal policies and procedures
- Analyzing the state's cash management process related to grant funds.

317.02 Division of Budget

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 25 | 35 | 32 | 0 | 32 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 25 | 35 | 32 | 0 | 32 |
| Payroll | 1,452,000 | 2,327,700 | 2,181,700 | 0 | 2,181,700 |
| Operational | 392,400 | 2,523,500 | 689,100 | 0 | 689,100 |
| Total | \$1,844,400 | \$4,851,200 | \$2,870,800 | \$0 | \$2,870,800 |
| State | 1,844,400 | 4,851,200 | 2,870,800 | 0 | 2,870,800 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|------------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 317.05 Division of Accounts | | | | | |
| Full-Time | 79 | 82 | 82 | 0 | 82 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 79 | 82 | 82 | 0 | 82 |
| Payroll | 3,730,100 | 4,308,000 | 4,308,000 | 0 | 4,308,000 |
| Operational | 5,841,000 | 7,001,900 | 6,098,000 | 0 | 6,098,000 |
| Total | \$9,571,100 | \$11,309,900 | \$10,406,000 | \$0 | \$10,406,000 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 9,571,100 | 11,309,900 | 10,406,000 | 0 | 10,406,000 |

Capital Projects and Facilities Management Services

The facilities management services coordinated by the Department of Finance and Administration include the planning, construction, and utilization of state-owned real property. Included among this property are facilities which are part of the Facilities Revolving Fund. Specific responsibilities include:

- Planning and reviewing the construction, acquisition, and alteration of state property
- Developing the state's long-range plan regarding real property needs
- Managing the acquisition, disposal, and utilization of state-owned real property
- Coordinating the design, construction, and redevelopment of state facilities
- Providing staff support to the State Building Commission
- Coordinating and budgeting the Facilities Revolving Fund
- Managing the energy management program for state facilities.

317.10 Capital Projects and Real Property Management

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 71 | 71 | 67 | 0 | 67 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 71 | 71 | 67 | 0 | 67 |
| Payroll | 3,378,500 | 3,738,300 | 3,544,900 | 0 | 3,544,900 |
| Operational | 2,012,900 | 2,882,500 | 2,522,000 | 0 | 2,522,000 |
| Total | \$5,391,400 | \$6,620,800 | \$6,066,900 | \$0 | \$6,066,900 |
| State | 2,064,400 | 2,627,500 | 2,393,100 | 0 | 2,393,100 |
| Federal | 23,600 | 0 | 0 | 0 | 0 |
| Other | 3,303,400 | 3,993,300 | 3,673,800 | 0 | 3,673,800 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 317.00 Department Total | | | | | |
| Full-Time | 764 | 803 | 770 | 0 | 770 |
| Part-Time | 1 | 1 | 1 | 0 | 1 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 765 | 804 | 771 | 0 | 771 |
| Payroll | 37,845,600 | 46,999,900 | 45,627,000 | 0 | 45,627,000 |
| Operational | 153,685,300 | 182,185,200 | 166,258,400 | 0 | 166,258,400 |
| Total | \$191,530,900 | \$229,185,100 | \$211,885,400 | \$0 | \$211,885,400 |
| State | 7,134,100 | 14,914,500 | 12,087,000 | 0 | 12,087,000 |
| Federal | 26,723,600 | 32,366,400 | 32,372,200 | 0 | 32,372,200 |
| Other | 157,673,200 | 181,904,200 | 167,426,200 | 0 | 167,426,200 |

Department of Personnel

The Department of Personnel designs and implements policies and practices to effectively manage the personnel needs of state government. The department advises the Governor on human resource issues, implements the Governor's Affirmative Action Plan, and administers the provisions of the Civil Service Act. The Department of Personnel maintains all state employee records, as well as all records pertaining to applicants for state employment. It also approves, coordinates, and conducts training and career development courses for all departments of state government. The three major program areas of the Department of Personnel are:

- Administrative Services
- Human Resource Services
- Technical Services.

Administrative Services

In addition to providing general administrative support services for the Department of Personnel, Administrative Services also coordinates the services provided by the department to all agencies of state government.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 319.01 Executive Administration | | | | | |
| Full-Time | 18 | 18 | 12 | 0 | 12 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 18 | 18 | 12 | 0 | 12 |
| Payroll | 821,100 | 1,035,100 | 865,700 | 0 | 865,700 |
| Operational | 1,772,800 | 1,664,500 | 1,362,100 | 0 | 1,362,100 |
| Total | \$2,593,900 | \$2,699,600 | \$2,227,800 | \$0 | \$2,227,800 |
| State | 1,855,600 | 1,886,900 | 1,532,000 | 0 | 1,532,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 738,300 | 812,700 | 695,800 | 0 | 695,800 |

Human Resource Services

Human Resource Services manages many of the services provided to state employees. Specific responsibilities include:

- Approving, coordinating, and conducting training courses, workshops, and conferences for employees in every state agency
- Advising state employees about their benefits and rights of employment
- Maintaining compliance with state and federal Equal Employment Opportunity and Affirmative Action laws and prohibiting unlawful employee discrimination
- Monitoring and ensuring the state's compliance with the Americans with Disabilities Act (ADA) requirements
- Hearing civil service appeals through the Civil Service Commission and advising on civil service rules, policy, and law
- Reviewing and revising employee performance evaluation forms
- Coordinating the Performance Evaluation and Career Ladder programs
- Supporting the efforts of the Title VI Compliance Commission.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|

319.02 Human Resource Development

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 18 | 19 | 20 | 0 | 20 |
| Part-Time | 9 | 9 | 9 | 0 | 9 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 27 | 28 | 29 | 0 | 29 |
| Payroll | 856,100 | 1,063,900 | 1,063,900 | 0 | 1,063,900 |
| Operational | 625,700 | 1,765,600 | 1,541,700 | 0 | 1,541,700 |
| Total | \$1,481,800 | \$2,829,500 | \$2,605,600 | \$0 | \$2,605,600 |
| State | 154,100 | 838,200 | 846,100 | 0 | 846,100 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,327,700 | 1,991,300 | 1,759,500 | 0 | 1,759,500 |

Technical Services

Technical Services reviews and administers state employee compensation and position classifications. Other responsibilities include:

- Revising and administering the civil service examination
- Monitoring the civil service appointment process
- Auditing the state payroll
- Providing information to applicants about employment and promotional opportunities
- Processing general employee transactions including appointments, transfers, promotions, separations, attendance, and leave adjustments
- Reviewing and maintaining data on employment, salaries, and benefits in private sector organizations and southeastern state governments to assist in making recommendations on salary administration policy for the State of Tennessee.

319.03 Technical Services

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 78 | 78 | 77 | 0 | 77 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 78 | 78 | 77 | 0 | 77 |
| Payroll | 3,016,600 | 3,564,900 | 3,525,200 | 0 | 3,525,200 |
| Operational | 194,000 | 313,000 | 313,000 | 0 | 313,000 |
| Total | \$3,210,600 | \$3,877,900 | \$3,838,200 | \$0 | \$3,838,200 |
| State | 1,360,800 | 1,959,300 | 1,919,600 | 0 | 1,919,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,849,800 | 1,918,600 | 1,918,600 | 0 | 1,918,600 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 319.00 Department Total | | | | | |
| Full-Time | 114 | 115 | 109 | 0 | 109 |
| Part-Time | 9 | 9 | 9 | 0 | 9 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 123 | 124 | 118 | 0 | 118 |
| Payroll | 4,693,800 | 5,663,900 | 5,454,800 | 0 | 5,454,800 |
| Operational | 2,592,500 | 3,743,100 | 3,216,800 | 0 | 3,216,800 |
| Total | \$7,286,300 | \$9,407,000 | \$8,671,600 | \$0 | \$8,671,600 |
| State | 3,370,500 | 4,684,400 | 4,297,700 | 0 | 4,297,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 3,915,800 | 4,722,600 | 4,373,900 | 0 | 4,373,900 |

Department of General Services

The Department of General Services acts as a support organization for other state departments and agencies. The department provides support through administrative services, property management and utilization services, and interdepartmental support services.

Administrative Services

Administrative services provided by the department include a variety of internal support services. Among these services are fiscal analysis and processing, legal services, auditing, human resource management, and information systems management. The department also establishes and directs the official policies related to its other services.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|----------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 321.01 Administration | | | | | |
| Full-Time | 57 | 57 | 48 | 0 | 48 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 57 | 57 | 48 | 0 | 48 |
| Payroll | 2,177,300 | 2,855,700 | 2,493,100 | 0 | 2,493,100 |
| Operational | 1,443,000 | 1,448,300 | 1,434,400 | 0 | 1,434,400 |
| Total | \$3,620,300 | \$4,304,000 | \$3,927,500 | \$0 | \$3,927,500 |
| State | 520,400 | 548,600 | 476,000 | 0 | 476,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 3,099,900 | 3,755,400 | 3,451,500 | 0 | 3,451,500 |
| 321.15 Systems Management | | | | | |
| Full-Time | 24 | 24 | 22 | 0 | 22 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 24 | 24 | 22 | 0 | 22 |
| Payroll | 1,105,400 | 1,198,900 | 1,116,300 | 0 | 1,116,300 |
| Operational | 594,500 | 871,200 | 764,100 | 0 | 764,100 |
| Total | \$1,699,900 | \$2,070,100 | \$1,880,400 | \$0 | \$1,880,400 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,699,900 | 2,070,100 | 1,880,400 | 0 | 1,880,400 |

Property Management and Utilization Services

The department's property management and utilization services include the disposal of surplus state property, the distribution of surplus federal property, the management and maintenance of the state's motor vehicles, and the management and maintenance of state-owned facilities and grounds. These services include the following responsibilities:

- Selling surplus and confiscated property through public auctions, sealed bids, or distribution to eligible recipients
- Developing, implementing, and supervising a uniform program for the acquisition, operation, maintenance, and replacement of state vehicles and equipment
- Coordinating the Van Pool Program
- Administering the state's shuttle service
- Operating and maintaining state-owned buildings.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 321.04 Property Utilization | | | | | |
| Full-Time | 26 | 26 | 22 | 0 | 22 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 26 | 26 | 22 | 0 | 22 |
| Payroll | 730,400 | 925,500 | 824,200 | 0 | 824,200 |
| Operational | 649,700 | 836,000 | 841,300 | 0 | 841,300 |
| Total | \$1,380,100 | \$1,761,500 | \$1,665,500 | \$0 | \$1,665,500 |
| State | 160,900 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,219,200 | 1,761,500 | 1,665,500 | 0 | 1,665,500 |
| 321.06 Motor Vehicle Management | | | | | |
| Full-Time | 44 | 44 | 41 | 0 | 41 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 44 | 44 | 41 | 0 | 41 |
| Payroll | 1,297,900 | 1,542,600 | 1,484,800 | 0 | 1,484,800 |
| Operational | 24,933,800 | 32,667,600 | 32,468,700 | 0 | 32,468,700 |
| Total | \$26,231,700 | \$34,210,200 | \$33,953,500 | \$0 | \$33,953,500 |
| State | 380,400 | 4,250,000 | 4,219,100 | 0 | 4,219,100 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 25,851,300 | 29,960,200 | 29,734,400 | 0 | 29,734,400 |
| 321.07 Property Management | | | | | |
| Full-Time | 209 | 209 | 200 | 0 | 200 |
| Part-Time | 6 | 6 | 1 | 0 | 1 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 215 | 215 | 201 | 0 | 201 |
| Payroll | 6,976,400 | 7,657,300 | 7,392,000 | 0 | 7,392,000 |
| Operational | 4,528,600 | 4,856,300 | 4,606,300 | 0 | 4,606,300 |
| Total | \$11,505,000 | \$12,513,600 | \$11,998,300 | \$0 | \$11,998,300 |
| State | 1,450,100 | 1,485,200 | 1,403,600 | 0 | 1,403,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 10,054,900 | 11,028,400 | 10,594,700 | 0 | 10,594,700 |

Interdepartmental Support Services

A number of interdepartmental support services are provided to state departments and agencies. Among these are postal, printing, purchasing records management, storage and distribution of supplies, and food preparation. The following responsibilities are associated with these services:

- Processing and distributing messenger and U.S. mail for state agencies located in Nashville
- Operating a U.S. Post Office branch in one of Nashville's state buildings
- Printing, duplicating, copying, typesetting, and binding services
- Photographic and graphic arts services
- Procurement of supplies, equipment, and specialized services
- Establishment of procurement specifications
- Administering the bid process
- Operating the centralized storage of pertinent records and files
- Implementing approval guidelines for state publications and forms
- Purchasing and distributing office and building maintenance supplies
- Managing the central preparation and distribution of food for select state agencies.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|-------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 321.02 Postal Services | | | | | |
| Full-Time | 67 | 67 | 66 | 0 | 66 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 67 | 67 | 66 | 0 | 66 |
| Payroll | 1,823,900 | 1,967,900 | 1,945,400 | 0 | 1,945,400 |
| Operational | 13,370,100 | 13,168,300 | 13,148,200 | 0 | 13,148,200 |
| Total | \$15,194,000 | \$15,136,200 | \$15,093,600 | \$0 | \$15,093,600 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 15,194,000 | 15,136,200 | 15,093,600 | 0 | 15,093,600 |
| 321.09 Printing | | | | | |
| Full-Time | 61 | 61 | 54 | 0 | 54 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 61 | 61 | 54 | 0 | 54 |
| Payroll | 1,884,800 | 2,124,400 | 1,944,100 | 0 | 1,944,100 |
| Operational | 2,106,200 | 2,608,500 | 2,507,800 | 0 | 2,507,800 |
| Total | \$3,991,000 | \$4,732,900 | \$4,451,900 | \$0 | \$4,451,900 |
| State | 200,000 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 3,791,000 | 4,732,900 | 4,451,900 | 0 | 4,451,900 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|----------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 321.10 Purchasing | | | | | |
| Full-Time | 54 | 54 | 54 | 0 | 54 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 54 | 54 | 54 | 0 | 54 |
| Payroll | 1,829,200 | 2,009,100 | 2,009,100 | 0 | 2,009,100 |
| Operational | 1,955,800 | 2,222,400 | 2,079,400 | 0 | 2,079,400 |
| Total | \$3,785,000 | \$4,231,500 | \$4,088,500 | \$0 | \$4,088,500 |
| State | 22,000 | 22,000 | 22,000 | 0 | 22,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 3,763,000 | 4,209,500 | 4,066,500 | 0 | 4,066,500 |
| 321.17 Records Management | | | | | |
| Full-Time | 21 | 21 | 19 | 0 | 19 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 21 | 21 | 19 | 0 | 19 |
| Payroll | 746,900 | 799,700 | 708,200 | 0 | 708,200 |
| Operational | 584,200 | 523,100 | 512,200 | 0 | 512,200 |
| Total | \$1,331,100 | \$1,322,800 | \$1,220,400 | \$0 | \$1,220,400 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,331,100 | 1,322,800 | 1,220,400 | 0 | 1,220,400 |
| 321.18 Central Stores | | | | | |
| Full-Time | 29 | 29 | 29 | 0 | 29 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 29 | 29 | 29 | 0 | 29 |
| Payroll | 726,400 | 915,100 | 890,800 | 0 | 890,800 |
| Operational | 5,640,200 | 3,460,800 | 3,368,100 | 0 | 3,368,100 |
| Total | \$6,366,600 | \$4,375,900 | \$4,258,900 | \$0 | \$4,258,900 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 6,366,600 | 4,375,900 | 4,258,900 | 0 | 4,258,900 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|-------------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 321.19 Food Services Program | | | | | |
| Full-Time | 2 | 2 | 2 | 0 | 2 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 2 | 2 | 2 | 0 | 2 |
| Payroll | 131,300 | 137,800 | 137,800 | 0 | 137,800 |
| Operational | 3,953,200 | 4,646,900 | 4,646,900 | 0 | 4,646,900 |
| Total | \$4,084,500 | \$4,784,700 | \$4,784,700 | \$0 | \$4,784,700 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 4,084,500 | 4,784,700 | 4,784,700 | 0 | 4,784,700 |
| 321.00 Department Total | | | | | |
| Full-Time | 594 | 594 | 557 | 0 | 557 |
| Part-Time | 6 | 6 | 1 | 0 | 1 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 600 | 600 | 558 | 0 | 558 |
| Payroll | 19,429,900 | 22,134,000 | 20,945,800 | 0 | 20,945,800 |
| Operational | 59,759,300 | 67,309,400 | 66,377,400 | 0 | 66,377,400 |
| Total | \$79,189,200 | \$89,443,400 | \$87,323,200 | \$0 | \$87,323,200 |
| State | 2,733,800 | 6,305,800 | 6,120,700 | 0 | 6,120,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 76,455,400 | 83,137,600 | 81,202,500 | 0 | 81,202,500 |

Department of Veterans Affairs

The Department of Veterans Affairs serves the state's more than one-half million veterans, their survivors, and dependents through a statewide power of attorney-based claims processing system. The department's training and certification program for county service officers and department employees ensures that the veterans of the state receive maximum earned entitlements. The department operates a state veterans' cemetery in each grand division, with Tennessee having among the highest interment workloads in the nation.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 323.00 Veterans Affairs | | | | | |
| Full-Time | 59 | 64 | 58 | 0 | 58 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 59 | 64 | 58 | 0 | 58 |
| Payroll | 2,154,300 | 2,385,100 | 2,187,000 | 0 | 2,187,000 |
| Operational | 589,900 | 858,400 | 666,300 | 0 | 666,300 |
| Total | \$2,744,200 | \$3,243,500 | \$2,853,300 | \$0 | \$2,853,300 |
| State | 2,390,200 | 2,676,000 | 2,410,600 | 0 | 2,410,600 |
| Federal | 290,400 | 360,000 | 360,000 | 0 | 360,000 |
| Other | 63,600 | 207,500 | 82,700 | 0 | 82,700 |

Department of Revenue

The Department of Revenue collects and administers Tennessee's fees and taxes, ensures compliance among all taxpayers, and apportions tax revenues to the appropriate state or local fund. These responsibilities are accomplished by the department's administrative services, support services, and revenue collection services.

Administrative Services

The department's administrative services provide a variety of activities. Among these are legal and research services, human resources management, internal auditing, fiscal analysis and processing, apportioning revenues to the appropriate state or local fund, information systems management, and special investigations.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 347.01 Administration Division | | | | | |
| Full-Time | 109 | 103 | 99 | 0 | 99 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 109 | 103 | 99 | 0 | 99 |
| Payroll | 5,064,700 | 5,416,300 | 5,280,700 | 0 | 5,280,700 |
| Operational | 1,600,400 | 2,399,800 | 2,222,200 | 0 | 2,222,200 |
| Total | \$6,665,100 | \$7,816,100 | \$7,502,900 | \$0 | \$7,502,900 |
| State | 4,633,000 | 5,763,400 | 5,450,200 | 0 | 5,450,200 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 2,032,100 | 2,052,700 | 2,052,700 | 0 | 2,052,700 |
| 347.11 Information Technology Resources Division | | | | | |
| Full-Time | 55 | 57 | 56 | 0 | 56 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 55 | 57 | 56 | 0 | 56 |
| Payroll | 2,623,900 | 2,997,600 | 2,958,500 | 0 | 2,958,500 |
| Operational | 10,226,000 | 11,470,300 | 7,483,800 | 0 | 7,483,800 |
| Total | \$12,849,900 | \$14,467,900 | \$10,442,300 | \$0 | \$10,442,300 |
| State | 9,959,600 | 11,443,000 | 7,702,700 | 0 | 7,702,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 2,890,300 | 3,024,900 | 2,739,600 | 0 | 2,739,600 |

Support Services

The support services divisions of the department provide assistance to the operations of the revenue collection services. These services include the following responsibilities:

- Preparing and distributing taxpayer forms, instructional materials, and publications
- Providing registration, file change, and basic tax account assistance to taxpayers
- Depositing tax payments to the State Treasury and updating taxpayer accounts.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 347.13 Taxpayer Services Division | | | | | |
| Full-Time | 104 | 118 | 112 | 0 | 112 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 104 | 118 | 112 | 0 | 112 |
| Payroll | 3,512,700 | 4,243,600 | 4,083,600 | 0 | 4,083,600 |
| Operational | 2,632,000 | 3,140,100 | 2,887,800 | 0 | 2,887,800 |
| Total | \$6,144,700 | \$7,383,700 | \$6,971,400 | \$0 | \$6,971,400 |
| State | 4,100,000 | 5,296,800 | 4,884,500 | 0 | 4,884,500 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 2,044,700 | 2,086,900 | 2,086,900 | 0 | 2,086,900 |

347.16 Processing Division

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 128 | 135 | 135 | 0 | 135 |
| Part-Time | 30 | 26 | 26 | 0 | 26 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 158 | 161 | 161 | 0 | 161 |
| Payroll | 4,152,400 | 4,524,200 | 4,576,800 | 0 | 4,576,800 |
| Operational | 1,749,500 | 1,844,500 | 1,900,600 | 0 | 1,900,600 |
| Total | \$5,901,900 | \$6,368,700 | \$6,477,400 | \$0 | \$6,477,400 |
| State | 4,093,300 | 4,608,100 | 4,716,800 | 0 | 4,716,800 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,808,600 | 1,760,600 | 1,760,600 | 0 | 1,760,600 |

Revenue Collections

The department's Revenue Collections services are charged with collecting fees and taxes and ensuring proper compliance among all taxpayers. The responsibilities associated with these services include:

- Administering all state taxes for corporations doing business in Tennessee
- Administering the state's Hall Income Tax
- Enforcing laws and regulations regarding the inspection and taxation of petroleum products
- Administering the provisions of specific laws regarding the taxation of tobacco products, gifts, inheritances, estates, firearms, gross receipts, liquor by the drink, beer, and other taxes
- Administering the provisions of the Tennessee sales and use tax laws
- Collecting delinquent taxes owed the state of Tennessee.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 347.02 Tax Enforcement Division | | | | | |
| Full-Time | 123 | 122 | 119 | 0 | 119 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 123 | 122 | 119 | 0 | 119 |
| Payroll | 5,064,800 | 5,329,400 | 5,216,000 | 0 | 5,216,000 |
| Operational | 819,200 | 914,000 | 870,400 | 0 | 870,400 |
| Total | \$5,884,000 | \$6,243,400 | \$6,086,400 | \$0 | \$6,086,400 |
| State | 3,878,600 | 4,190,700 | 4,033,700 | 0 | 4,033,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 2,005,400 | 2,052,700 | 2,052,700 | 0 | 2,052,700 |
| 347.14 Audit Division | | | | | |
| Full-Time | 335 | 339 | 334 | 0 | 334 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 335 | 339 | 334 | 0 | 334 |
| Payroll | 17,614,000 | 18,922,200 | 18,736,000 | 0 | 18,736,000 |
| Operational | 2,924,100 | 3,183,900 | 3,070,600 | 0 | 3,070,600 |
| Total | \$20,538,100 | \$22,106,100 | \$21,806,600 | \$0 | \$21,806,600 |
| State | 13,351,200 | 14,892,200 | 14,614,700 | 0 | 14,614,700 |
| Federal | 47,800 | 22,000 | 0 | 0 | 0 |
| Other | 7,139,100 | 7,191,900 | 7,191,900 | 0 | 7,191,900 |
| 347.00 Department Total | | | | | |
| Full-Time | 854 | 874 | 855 | 0 | 855 |
| Part-Time | 30 | 26 | 26 | 0 | 26 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 884 | 900 | 881 | 0 | 881 |
| Payroll | 38,032,500 | 41,433,300 | 40,851,600 | 0 | 40,851,600 |
| Operational | 19,951,200 | 22,952,600 | 18,435,400 | 0 | 18,435,400 |
| Total | \$57,983,700 | \$64,385,900 | \$59,287,000 | \$0 | \$59,287,000 |
| State | 40,015,700 | 46,194,200 | 41,402,600 | 0 | 41,402,600 |
| Federal | 47,800 | 22,000 | 0 | 0 | 0 |
| Other | 17,920,200 | 18,169,700 | 17,884,400 | 0 | 17,884,400 |

Miscellaneous Appropriations

Miscellaneous Appropriations includes funding for retirement contributions for county officials, pensions to former governors and their widows, and other state obligations not addressed elsewhere.

| | <u>Actual</u> <u>2001-2002</u> | <u>Estimated</u> <u>2002-2003</u> | <u>Base</u> <u>2003-2004</u> | <u>Improvement</u> <u>2003-2004</u> | <u>Recommended</u> <u>2003-2004</u> |
|--|-----------------------------------|--------------------------------------|---------------------------------|--|--|
| 351.00 Miscellaneous Appropriations | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 22,061,100 | 30,671,100 | 29,298,700 | 113,742,100 | 143,040,800 |
| Total | \$22,061,100 | \$30,671,100 | \$29,298,700 | \$113,742,100 | \$143,040,800 |
| State | 22,061,100 | 30,531,100 | 29,298,700 | 113,742,100 | 143,040,800 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 140,000 | 0 | 0 | 0 |

Emergency and Contingency Fund

The Emergency and Contingency Fund is a special fund for any purpose authorized or implied by law for which no appropriation is made, or for which insufficient appropriation has inadvertently been made. Expenditures from this fund are authorized only by Executive Order of the Governor.

| | <u>Actual</u> <u>2001-2002</u> | <u>Estimated</u> <u>2002-2003</u> | <u>Base</u> <u>2003-2004</u> | <u>Improvement</u> <u>2003-2004</u> | <u>Recommended</u> <u>2003-2004</u> |
|--|-----------------------------------|--------------------------------------|---------------------------------|--|--|
| 353.00 Emergency and Contingency Fund | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 0 | 819,300 | 819,300 | 0 | 819,300 |
| Total | \$0 | \$819,300 | \$819,300 | \$0 | \$819,300 |
| State | 0 | 819,300 | 819,300 | 0 | 819,300 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

State Building Commission

This fund is utilized for major, non-routine maintenance and equipment replacement for state-owned physical facilities. Projects are funded only by approval of the State Building Commission, which consists of the Governor, Commissioner of Finance and Administration, Speakers of the House and Senate, Secretary of State, Comptroller of the Treasury, and State Treasurer.

355.02 Major Maintenance and Equipment

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 245,100 | 250,000 | 250,000 | 0 | 250,000 |
| Total | \$245,100 | \$250,000 | \$250,000 | \$0 | \$250,000 |
| State | 245,100 | 250,000 | 250,000 | 0 | 250,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

General Government

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|---|---------------------|------------------------|------------------------|
| Secretary of State | | | | |
| • Administration | | | | |
| Provide technical systems support to public libraries | Number of public libraries assisted | 200 | 200 | 200 |
| • Business Services | | | | |
| Process applications for incorporation | Number of documents processed | 221,397 | 225,000 | 225,000 |
| Process liens | Number of liens processed | 43,872 | 45,000 | 45,000 |
| Process notary commissions | Number of notary commissions/authentications | 33,325 | 35,000 | 35,000 |
| Process summons | Number of summons processed | 15,320 | 15,500 | 15,500 |
| Process trademark registrations | Number of trademark registrations | 1,629 | 2,000 | 2,000 |
| Process Uniform Commercial Code (UCC) filings | Number of UCC filings processed | 160,695 | 161,000 | 161,000 |
| • Administrative Procedures | | | | |
| Hear cases | Number of cases heard | 12,277 | 16,250 | 20,000 |
| • Charitable Solicitations | | | | |
| Assess civil penalties | Number of assessments | 200 | 100 | 100 |
| Register charitable organizations | Number of charitable organizations registered | 2,435 | 2,000 | 2,000 |
| • State Election Coordinator | | | | |
| Register voters | Number of registered voters | 3,354,481 | 3,250,000 | 3,400,000 |
| • Publications | | | | |
| Publish public and private acts | Number of hardbound volumes published | 1,150 | 725 | 700 |
| • State Election Commission | | | | |
| Certify registrars | Number of registrars certified | 93 | 93 | 93 |
| Conduct meetings | Number of meetings conducted | 12 | 12 | 12 |
| • Public Documents | | | | |
| Print election law manual | Number of election law manuals printed | 1,200 | 1,200 | 1,200 |
| Produce monthly booklets | Number of monthly booklets produced | 12 | 12 | 12 |
| Produce monthly reports | Number of monthly reports produced | 12 | 12 | 12 |
| Provide election forms | Number of forms available | 61 | 61 | 60 |
| Revise election forms | Number of election forms revised | 4 | 10 | 4 |

General Government

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|---|---------------------|------------------------|------------------------|
| • Archival and Library Technical Services | | | | |
| Maintain archive & manuscript holdings | Cubic feet of holdings maintained | 28,046 | 29,600 | 30,000 |
| Maintain holdings - other | Number of holdings maintained - other | 749,592 | 750,300 | 760,000 |
| Maintain holdings - print | Number of holdings maintained - print | 672,326 | 677,000 | 682,000 |
| Process archives & manuscripts | Cubic feet of archives & manuscripts processed | 656 | 700 | 700 |
| Process print items | Number of items processed | 7,676 | 10,500 | 11,000 |
| • Public Services | | | | |
| Assist visiting patrons | Number of visiting patrons assisted | 21,341 | 21,400 | 22,100 |
| Process e-mail requests | Number of e-mail requests processed | 14,006 | 14,500 | 15,000 |
| Process mail requests | Mail requests processed | 14,473 | 14,750 | 15,000 |
| • State Planning Library | | | | |
| Process legislative history research requests | Number of research requests processed | 1,026 | 1,075 | 1,075 |
| Provide reference information | Number of reference inquiries handled | 4,313 | 4,500 | 4,500 |
| • Restoration and Reproduction | | | | |
| Preserve documents on microfilm | Number of new pages preserved | 3,264,953 | 3,500,000 | 3,500,000 |
| Produce duplicates of photographs & microfilms | Number of photograph & microfilm duplicates produced | 9,381 | 12,000 | 12,000 |
| Treat documents for preservation | Number of documents treated for preservation | 6,250 | 9,000 | 10,000 |
| • Planning and Development | | | | |
| Ensure local public libraries receive Library Services and Technology Act (LSTA) funds | Number of local public libraries receiving funds | 285 | 285 | 285 |
| Ensure multi-type libraries receive LSTA funds | Number of multi-type libraries receiving funds | 2,420 | 2,420 | 2,420 |
| Monitor sites | Number of monitoring visits | 40 | 40 | 40 |
| • Library for the Blind and Physically Handicapped | | | | |
| Circulate materials | Number of check-outs | 221,612 | 245,000 | 250,000 |
| Maintain materials | Number of holdings | 208,738 | 211,000 | 212,000 |
| Serve patrons | Percentage of the 6,400 eligible, active patrons served | 54% | 63% | 63% |
| • Local Archive Development | | | | |
| Assist record commissions | Number of record commissions assisted | 66 | 69 | 72 |
| Conduct workshops | Number of workshops conducted | 17 | 17 | 17 |

General Government

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|---|---------------------|------------------------|------------------------|
| Encourage the development of local archives | Number of local archives | 47 | 51 | 55 |
| Issue archival grants | Number of grants issued | 0 | 18 | 16 |
| • Tennessee Regional Library System | | | | |
| Assist deposit stations | Number of deposit stations | 900 | 900 | 900 |
| Assist libraries with automation | Number of automated libraries | 201 | 210 | 210 |
| Provide books & materials to libraries | Number of books & materials in local libraries | 1,607,000 | 1,607,000 | 1,607,000 |
| Provide training for local library personnel | Number of regional library-sponsored training sessions | 48 | 48 | 48 |
| • Library Construction | | | | |
| Assist local libraries with building projects | Number of public library building projects | 3 | 9 | 4 |
| • Registry of Election Finance | | | | |
| Process disclosure filings | Percentage of correct filings of required disclosures | 99% | 99% | 99% |
| • Economic Council on Women | | | | |
| Educate girls and women about high demand careers | Number of girls in Ementoring (GEMSET) program | N/A | 15 | 200 |
| Educate girls and women about high demand careers | Number of girls reached through other TECW mentoring programs | N/A | 360 | 500 |
| Educate girls and women about high demand careers | Number of girls reached through TECW Health Careers Promotion Program | N/A | 50 | 150 |
| Evaluate state job-training programs for women | Number of recommendations made | N/A | 8 | 0 |
| List mentoring programs on TECW website | Number of mentoring programs listed on TECW website | N/A | 30 | 45 |
| Raise awareness of Tennessee women's economic status | Number in attendance at presentations | 1,419 | 2,000 | 3,000 |
| Raise awareness of Tennessee women's economic status | Number of counties reached | N/A | 15 | 4 |
| Comptroller of the Treasury | | | | |
| • Data Processing | | | | |
| Property tax relief payment | Number of jurisdictions | 359 | 359 | 359 |
| Provide county support | Number of parcels maintained | 2,900,000 | 3,200,000 | 3,200,000 |
| Provide data processing support | Number of divisions supported | 12 | 12 | 12 |
| • Administration | | | | |
| Provide contract reviews | Number of contracts reviewed | 2,985 | 3,200 | 3,200 |

General Government

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|-------------------------------|---------------------|------------------------|------------------------|
| • Printing | | | | |
| Provide printing support to Legislative Branch offices | Number of impressions printed | 18,469,500 | 20,000,000 | 20,000,000 |
| • Mail Service | | | | |
| Provide mail support to Legislative Branch offices | Number of parcels processed | 157,100 | 160,000 | 160,000 |
| • Conduct Post Audits | | | | |
| Conduct post audits | Number of audits completed | 106 | 117 | 115 |
| • Title VI Implementation Plans | | | | |
| To report on Title VI plans | Number of audits | 1 | 1 | 1 |
| • Hotline for Citizens | | | | |
| Hotline calls | Number of calls | 750 | 750 | 750 |
| • Investigations | | | | |
| Investigations | Number of investigations | 10 | 10 | 10 |
| • Audit & Rate Setting for Nursing Home Facilities | | | | |
| Health care reviews | Number of audits | 5 | 5 | 5 |
| • TennCare Special Funding Pools | | | | |
| Managed care audits | Number of audits | 11 | 11 | 11 |
| • Sunset Audits | | | | |
| Conduct sunset audits | Number of audits | 11 | 10 | 11 |
| • Performance Audits | | | | |
| Conduct performance audits | Number of audits | 2 | 2 | 3 |
| • Conduct Post Audits | | | | |
| Conduct post audits of county officials | Number of audits completed | 87 | 87 | 87 |
| • Monitoring of CAFR Audits | | | | |
| Participate with and monitor audits | Number of audits monitored | 2 | 2 | 2 |
| • Review other Contract Audits | | | | |
| Review other contract audits | Number of audits | 295 | 300 | 300 |

General Government

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|------------------------------------|---------------------|------------------------|------------------------|
| • Conduct Special Audits | | | | |
| Conduct special audits and investigations | Number conducted | N/A | 5 | 10 |
| • District Attorney's General Fund Reviews | | | | |
| Conduct reviews of District Attorney's general fund | Number of reviews | 31 | 31 | 31 |
| • County Support | | | | |
| Provide assistance to counties | Number of counties assisted | 51 | 55 | 60 |
| • Monitor & Review Audit Reports | | | | |
| Review audits of cities, schools, UDS, etc. | Percentage of audits reviewed | 95% | 95% | 95% |
| • Audit Working Paper Reviews | | | | |
| Review of working papers | Percentage of workpapers reviewed | 5% | 4% | 4% |
| • Training | | | | |
| Provide auditor training | Number of hours provided | 680 | 680 | 680 |
| • Administration of State's Debt | | | | |
| Administration of fund detail | Number of fund detail | 11 | 11 | 11 |
| Administration of various funds (school fund, sinking, TLDA, etc.) | Number of funds administered | 6 | 6 | 6 |
| • Issuance of Debt for all State-level Issuers | | | | |
| Administration of bond issues outstanding | Number of issues outstanding | 63 | 68 | 73 |
| Report preparation | Number of reports distributed | 88 | 90 | 92 |
| • Development of New Programs | | | | |
| Issuance of new debt | Number of new debt issuances | 22 | 24 | 26 |
| Project administration | Number of projects administered | 1,718 | 1,785 | 1,838 |
| • Arbitrage Administration | | | | |
| Administration of arbitrage compliance | Number of issues subject to review | 63 | 79 | 81 |
| • Division of Local Government | | | | |
| Reapportionment & redistricting assistance | Number of counties assisted | 95 | 95 | 25 |
| Tennessee mapping GIS assistance | Number of counties assisted | 18 | 28 | 40 |

General Government

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|-------------------------------------|---------------------|------------------------|------------------------|
| • Division of Property Assessments | | | | |
| Parcels assessed | Number of parcels (annually) | 3,098,694 | 3,138,390 | 3,170,508 |
| • Tax Billing Service | | | | |
| Provide tax billings services | Number of cities served | 359 | 359 | 359 |
| • Reappraisal Efforts | | | | |
| Reappraisals completed or scheduled for completion | Number of reappraisals completed | 26 | 22 | 11 |
| • Training Program | | | | |
| Provide training to county officials | Number of attendees | 596 | 184 | 300 |
| • Tax Relief | | | | |
| Provide tax relief assistance | Number of claims processed | 86,788 | 83,519 | 87,000 |
| • Property Ownership Maps | | | | |
| Maintain property maps on a current basis | Number of maps updated | 14,933 | 12,734 | 13,000 |
| • Field Support | | | | |
| Parcels appraised/scheduled for appraisal | Number of parcels appraised | 1,435,746 | 491,389 | 260,000 |
| • Tax Relief Program | | | | |
| Provide assistance to qualified applicants | Number of claims processed | 86,788 | 83,519 | 87,000 |
| • Exempt Properties | | | | |
| Process applications | Percentage processed within 90 days | 20% | 30% | 40% |
| • Hearing Appeals | | | | |
| Decisions of all appeals within 90 days of hearing | Percentage completed within 90 days | 98% | 98% | 95% |
| • Assessor Payments | | | | |
| Timely and accurate processing of claims | Amount paid | \$59,500 | \$65,000 | \$65,000 |
| • Reappraisal Grant Payments | | | | |
| County grant payments | Amount paid | \$2,098,000 | \$2,188,600 | \$2,188,600 |
| • Debt Reviews | | | | |
| Review debt requests | Amount of debt reviewed | \$2,200,000,000 | \$2,200,000,000 | \$2,000,000,000 |
| Review debt requests | Number of debt requests reviewed | 400 | 450 | 450 |

General Government

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|--|---------------------|------------------------|------------------------|
| • County Officials Bonds | | | | |
| Review county/fiscal agency bonds | Number of bonds reviewed | 300 | 600 | 200 |
| • Annual Report to General Assembly | | | | |
| Maintain public debt reports | Amount of debt reported | \$4,600,000,000 | \$4,200,000,000 | \$4,000,000,000 |
| Maintain public debt reports | Number of reports files | 570 | 500 | 500 |
| • Cable Plan Reviews | | | | |
| Review cable plans | Capital expenditures projected | \$14,000,000,000 | \$86,000,000,000 | \$55,000,000,000 |
| Review cable plans | Number of reviews | 2 | 5 | 5 |
| • Prepare Annual Tax Roll | | | | |
| Appraisal of properties | Assessed value | \$5,000,000,000 | \$5,000,000,000 | \$5,500,000,000 |
| • Assessment Notification | | | | |
| Notification of assessments | Number of companies notified | 2,340 | 2,474 | 2,391 |
| • Audit of Public Utilities & Transportation Co. | | | | |
| Perform audits of public utilities & transportation | Number of audits | N/A | 25 | 30 |
| • Annual Tax Rolls | | | | |
| Prepare annual tax rolls | Number of tax billings | 20,000 | 20,400 | 20,400 |
| Treasury Department | | | | |
| • Tennessee Consolidated Retirement System | | | | |
| Process requests in a timely manner | Active members served | 213,000 | 215,000 | 215,000 |
| Process requests in a timely manner | Members counseled | 2,220 | 2,500 | 2,800 |
| Process requests in a timely manner | New retirements | 5,241 | 7,000 | 8,000 |
| Process requests in a timely manner | Retired members served | 78,494 | 84,000 | 90,000 |
| • TCRS Investments | | | | |
| Sufficient rate of return | Average funds invested | \$23,000,000,000 | \$24,700,000,000 | \$26,600,000,000 |
| Sufficient rate of return | Rate of return | (1.6)% | 7.5% | 7.5% |
| • Unclaimed Property | | | | |
| Return assets to legal owner | Percentage of funds returned to owners each year | 32% | 33% | 33% |

General Government

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|----------------------------------|---------------------|------------------------|------------------------|
| • Claims Administration | | | | |
| Process all claims filed in a timely manner | Worker compensation claims | 99% | 99% | 99% |
| Process all claims filed in a timely manner | Tort claims | 99% | 99% | 99% |
| Process all claims filed in a timely manner | Criminal injury claims | 94% | 94% | 94% |
| • Deferred Compensation | | | | |
| Provide participants with the opportunity to save for retirement | Total participants | 57,000 | 58,500 | 60,000 |
| Provide participants with the opportunity to save for retirement | Total contributions | \$70,000,000 | \$73,000,000 | \$75,000,000 |
| • Flexible Benefits Plan | | | | |
| Provide participants with the option to participate in the flexible benefits savings plan | Number of participants | 39,690 | 40,250 | 40,750 |
| Generate savings for employee benefit programs | FICA savings | \$3,300,000 | \$3,800,000 | \$4,200,000 |
| • Risk Management | | | | |
| Provide insurance to all departments | Property values insured | \$9,230,000,000 | \$9,320,000,000 | \$9,410,000,000 |
| Insure all State Building Commission projects | Builders' risk values insured | \$232,000,000 | \$235,000,000 | \$239,000,000 |
| Insure all boiler objects | Number of boiler objects insured | 2,359 | 2,570 | 2,800 |
| Provide fidelity bond coverage for all state employees | Number of employees covered | 86,361 | 87,200 | 88,000 |
| • BEST | | | | |
| Increase BEST participation | Number of prepaid contracts | 7,450 | 7,800 | 8,200 |
| Increase BEST participation | Number of savings contracts | 1,371 | 1,500 | 1,800 |
| • State Cash Management | | | | |
| Ensure collateralization | Rate of return | 2.7% | 2% | 2% |
| Ensure collateralization of all funds | Average funds invested | \$4,300,000,000 | \$4,500,000,000 | \$4,500,000,000 |
| • Claims Commission | | | | |
| Oversee claims against the state | Number of claims closed | 1,041 | 1,000 | 1,000 |
| Oversee claims against the state | Number of claims opened | 873 | 800 | 800 |
| • Certified Public Administrators | | | | |
| Provide participants with an incentive to get necessary training | Number of participants | 256 | 260 | 265 |

General Government

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|-------------------|---------|---------------------|------------------------|------------------------|
|-------------------|---------|---------------------|------------------------|------------------------|

Human Rights Commission

• Employment Discrimination

| | | | | |
|--|-----------------------------|-----|-----|-----|
| Appropriately close Equal Employment Opportunity Commission (EEOC) cases | Number of EEOC cases closed | 662 | 625 | 625 |
|--|-----------------------------|-----|-----|-----|

• Housing Discrimination

| | | | | |
|---|----------------------------|-----|----|----|
| Appropriately close Housing and Urban Development (HUD) cases | Number of HUD cases closed | 101 | 90 | 90 |
|---|----------------------------|-----|----|----|

• Title VI (904/905)

| | | | | |
|---|--|---|---|---|
| Develop Title VI (904/905) implementation plans | Number of implementation plans developed | 1 | 4 | 4 |
|---|--|---|---|---|

Tennessee Regulatory Authority

• Energy and Water

| | | | | |
|--|---|----|----|----|
| Deter Class C utilities from being non-compliant | Audits completed | 1 | 2 | 2 |
| Maintain energy rates below national average | State average for gas and electrical service (national average is 86) | 67 | 70 | 70 |

• Telecommunications

| | | | | |
|--|--|----------|----------|----------|
| Facilitate technological deployment | Percentage of Tennessee zip codes with high speed lines in service | 83% | 94% | 100% |
| Facilitate technological deployment | Total number of high speed lines | 84,891 | 90,000 | 100,000 |
| Maintain affordable telephone rates | Dollar change in average Tennessee residential rates over prior year less nationwide dollar change | \$(0.34) | \$(0.25) | \$(0.25) |
| Facilitate local telephone competition | Number of market entrants | 93 | 85 | 85 |
| Facilitate local telephone competition | Number of active Competitive Local Exchange Carrier (CLEC) interconnection agreements | 125 | 130 | 140 |
| Facilitate local telephone competition | Number of counties with three or more competitive alternatives | 70 | 75 | 80 |

• Gas Safety

| | | | | |
|--|---|-----|-----|-----|
| Ensure gas companies comply with the Minimum Federal Safety Standards (MFSS) | Score on federal audit (scale of 1 to 100) | 96 | 95 | 95 |
| Ensure gas pipeline safety programs comply with MFSS | Number of inspections performed annually | 175 | 180 | 180 |
| Maintain number of gas incidents below national average | Number of incidents that occur annually (national average is 9) | 1 | 2 | 2 |

General Government

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|---|---------------------|------------------------|------------------------|
| Ensure gas company employees comply with federal operator qualification rule | Number of participants who attend and complete training course | 229 | 252 | 277 |
| • Consumer Services | | | | |
| Ensure an adequate level of utility service | Service standards reviews of fifteen incumbent telecommunications companies | 180 | 180 | 180 |
| Ensure an adequate level of utility service | Consumer complaint cases mediated | 2,046 | 2,600 | 2,000 |
| Ensure an adequate level of utility service | Enforcement actions initiated | 13 | 10 | 10 |
| Ensure an adequate level of utility service | Phone central offices tests and inspections | 15 | 12 | 12 |
| Ensure an adequate level of utility service | Public payphone inspections | 170 | 30 | 60 |
| • Telemarketing Division | | | | |
| Success of Do Not Call Program | Number of citizens on the Do Not Call register | 738,168 | 740,000 | 760,000 |
| Success of Do Not Call Program | Number of solicitors registered | 615 | 750 | 750 |
| Success of Do Not Call Program | Number of consumer complaints investigated | 656 | 750 | 750 |
| • Telecommunications Device Access Program | | | | |
| Assist disabled to utilize telephone network | Advisory committee meetings | 4 | 4 | 4 |
| Assist disabled to utilize telephone network | Distributed Telecommunications Device for the Deaf (TDD) equipment | 1,300 | 1,000 | 1,000 |
| Assist disabled to utilize telephone network | Public information meetings | 15 | 8 | 8 |
| Assist disabled to utilize telephone network | TDD training sessions | 10 | 4 | 4 |
| • Universal Service | | | | |
| Implement Universal Service Fund | Percentage of Tennessee citizens with basic telephone service | 95% | 97% | 97% |
| • Consumer Education | | | | |
| Enhance consumer knowledge of utility issues | Distribution of Lifeline and Link-Up brochures | 45,000 | 350,000 | 350,000 |
| Enhance consumer knowledge of utility issues | Number of Lifeline and Link-Up recipients | 45,659 | 55,000 | 75,000 |
| Enhance consumer knowledge of utility issues | Outreach programs and seminars conducted | 52 | 65 | 70 |

General Government

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|-------------------|---------|---------------------|------------------------|------------------------|
|-------------------|---------|---------------------|------------------------|------------------------|

Finance and Administration

• Departmental Administrative Support

| | | | | |
|--|--------------------|------|------|------|
| Complete computer resource billing to state agencies within 30 days | Percentage on time | 92% | 100% | 100% |
| Complete telecommunications billing to state agencies within 30 days | Percentage on time | 100% | 100% | 100% |

• Division of Budget

| | | | | |
|---|------------------------------|----|----|----|
| Analyze operating budget requests | Agency requests analyzed | 53 | 53 | 53 |
| Analyze capital budget requests | Agency requests analyzed | 15 | 20 | 20 |
| Monitor agency expenditures | Number of agencies monitored | 53 | 53 | 53 |
| Prepare work program by August 31 | Days after August 31 | 39 | 26 | 0 |
| Distribute budget instructions by August 15 | Days after August 15 | 9 | 6 | 0 |

• OIR - Administration

| | | | | |
|--|---------------------------|----|----|----|
| Agencies completing Information Systems Plan | Number of plans submitted | 44 | 45 | 46 |
|--|---------------------------|----|----|----|

• OIR - Systems Development / Project Management

| | | | | |
|--|---|-----|-----|-----|
| Base mapping for GIS | Number of counties | 5 | 9 | 12 |
| Improve response time to help desk calls | Average seconds to answer call | 40 | 35 | 33 |
| Systems development productivity | Percentage of complex programs error free | 85% | 87% | 89% |

• OIR - Data Center

| | | | | |
|---|------------------------------|-----|-------|-----|
| Increase data center server time | Percentage of time available | 95% | 98% | 99% |
| Increase production on-line time availability | Percentage of time available | 98% | 98.5% | 99% |

• OIR - Telecom

| | | | | |
|----------------------------|-------------------------------|--------|--------|--------|
| Increase LAN support | Number of work stations | 28,000 | 30,000 | 32,000 |
| Increase TNII availability | Onsite availability | N/A | 99% | 99.5% |
| Increase WAN support | Number of network connections | 1,100 | 1,300 | 1,400 |

• OIR - Quality Assurance

| | | | | |
|------------------------------------|------------------|---|---|---|
| Increase number of security audits | Number of audits | 1 | 2 | 3 |
|------------------------------------|------------------|---|---|---|

• State Insurance Plan

| | | | | |
|------------------------------|--|-----|-----|-----|
| Control administrative costs | Administrative costs as percentage of total cost | <1% | <1% | <1% |
|------------------------------|--|-----|-----|-----|

General Government

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|---|---------------------|------------------------|------------------------|
| Provide benefits to eligible participants | Number of individuals covered - state insurance plan | 149,000 | 149,000 | 149,000 |
| • Local Education Insurance Plan | | | | |
| Control administrative costs | Administrative costs as percentage of total cost | <1% | <1% | <1% |
| Provide benefits to eligible participants | Number of individuals covered | 84,000 | 84,000 | 84,000 |
| • Employee Assistance Program | | | | |
| EAP participation | Percentage of participation by eligible state employees | 4.8% | 5% | 5% |
| • Local Government Insurance Plan | | | | |
| Control administrative costs | Administrative costs as percentage of total cost | <1% | <1% | <1% |
| Provide benefits to eligible participants | Number of individuals covered | 36,000 | 35,000 | 35,000 |
| • Payroll | | | | |
| Process and report transactions on time | Number of days after deadline | 0 | 0 | 0 |
| • Statewide Accounting | | | | |
| Comprehensive Annual Financial Report (CAFR) completed | Days after December 31 due date | 0 | 17 | 0 |
| • Contracts Review | | | | |
| Review and approve contracts | Number of contracts | 3,607 | 3,600 | 3,600 |
| Timely processing of contracts | Number of days to process | 11 | 14 | 14 |
| • Capital Projects | | | | |
| Encourage energy savings | Amount saved per year | \$3,300,000 | \$4,800,000 | \$6,300,000 |
| Ensure timely completion of design construction projects | Percentage of projects completed on time | 84% | 85% | 87% |
| Manage cost of design construction | Percentage within budget | 43% | 50% | 50% |
| • Real Property Management | | | | |
| Provide interior design services | Number of projects | 43 | 50 | 50 |
| Provide lease administration | Number of lease transactions | 140 | 140 | 140 |
| Reduce vacant state housing space | Vacant square feet | 134,000 | 89,000 | 20,000 |
| • Homeland Security - Volunteer Program | | | | |
| Increase the number of volunteers involved with homeland security | Number of volunteers | N/A | 750 | 1000 |

General Government

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|---|---------------------|------------------------|------------------------|
| Personnel | | | | |
| • Equal Employment Opportunity/ADA | | | | |
| EEO/ADA | Assist those with EEO/ADA/AA concerns | 1,144 | 1,200 | 1,200 |
| Provide training | Employees trained | 2,341 | 2,500 | 2,500 |
| • Employee Relations | | | | |
| Sick leave bank enrollment | Number of employees enrolled | 1,690 | 1,700 | 1,700 |
| Sick leave bank | Employees approved for benefits | 425 | 450 | 450 |
| Sick leave bank | Applications denied | 60 | 50 | 50 |
| Sick leave bank | Appeals heard | 14 | 15 | 15 |
| Performance evaluation | Employee questions/issues addressed by phone, email, or in person | 4,400 | 4,400 | 4,400 |
| Charity fund | Amount of contributions | \$560,048 | \$570,000 | \$580,000 |
| • Civil Service Commission | | | | |
| Civil service cases | Grievances filed | 105 | 110 | 110 |
| Civil service cases | Grievances completed | 30 | 40 | 40 |
| • Training and Development | | | | |
| Provide training | Number of class hours sponsored | 119,954 | 122,000 | 122,000 |
| Provide training | Number of employees trained | 8,458 | 9,000 | 9,000 |
| Supervisory training phase 1 | Percentage of eligible supervisors participating | 90.2% | 100% | 100% |
| Management training phase 1 | Percentage of eligible managers participating | 96.8% | 100% | 100% |
| • Examinations | | | | |
| Review assessment methods and modify as needed | Average number of days to update test | 60 | 60 | 60 |
| Develop and/or revise appropriate assessment methods | Number of methods developed or revised | 64 | 75 | 75 |
| • Applicant Services | | | | |
| Training & experience evaluations | Number of evaluations | 82,856 | 84,000 | 87,000 |
| Examinations | Number of written tests - central office | 2,124 | 1,000 | 0 |
| Examinations | Number of computer tests - central office | 10,504 | 13,000 | 16,000 |
| Examinations | Field examination events | 44 | 85 | 85 |
| • Technical Services | | | | |
| Employee personnel transactions | Appointments, promotions, demotions, transfers, separations processed | 45,482 | 46,000 | 46,000 |

General Government

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|--|---------------------|------------------------|------------------------|
| Employee personnel transactions | Payroll supplemental payments processed | 70,485 | 12,000 | 12,000 |
| Employee personnel transactions | Attendance and leave adjustments processed | 4,442 | 4,500 | 4,500 |
| Employee personnel transactions | Career service registers processed | 7,476 | 7,500 | 7,500 |
| Administrative support section transactions | Veterans preference applications, PE's, applicant reinstatements, & general correspondence processed | 40,868 | 41,000 | 41,000 |
| Files management section transactions | Prior service, documents scanned & indexed, files copied, employment verifications & misc. processed | 65,065 | 68,000 | 68,000 |

• Classification/Compensation

| | | | | |
|-----------------------------------|---|-------|-----|-----|
| Ident. & monitor type of turnover | Turnover (% of emp. leaving state gov't) | 11.8% | 12% | 13% |
| Simplify the job class. structure | Number of job classifications added/(reduced) | (32) | (5) | 10 |

• Administration

| | | | | |
|---|-------------------------------|-------|-------|-------|
| State agency/department out-of-state travel requests processed | Number of requests processed | 2,323 | 3,200 | 3,200 |
| Review and process state agency/department personnel services contracts | Number of contracts processed | 303 | 325 | 325 |
| Fiscal notes and bill analyses | Number processed | 260 | 260 | 260 |

General Services

• Office of Financial Management

| | | | | |
|-------------------------------|---------------|---------|---------|---------|
| Financial management services | Cost per hour | \$41.14 | \$40.00 | \$40.00 |
|-------------------------------|---------------|---------|---------|---------|

• Special Services

| | | | | |
|---|--------------------------------------|-----------|-----------|-----------|
| Capitol couriers - delivery of incoming US mail | Number of pieces | 10,900 | 11,000 | 11,000 |
| Capitol couriers - delivery of messenger mail | Number of pieces | 6,100 | 6,100 | 6,100 |
| Contract station - customers served | Number | 13,500 | 13,500 | 13,500 |
| Contract station - money orders sold | Number | 12,445 | 12,500 | 12,500 |
| Contract station - processed through S.P.S | Number of pieces | 166,184 | 166,500 | 166,500 |
| Messenger mail service | Number of pieces collected/delivered | 2,700,000 | 2,700,000 | 2,700,000 |
| Outgoing US mail metered | Number of pieces | 17,740 | 18,000 | 18,000 |

• Incoming Mail Services

| | | | | |
|------------------------------|----------------------------|------------|------------|------------|
| Delivery of incoming US mail | Number of pieces delivered | 10,084,704 | 10,000,000 | 10,000,000 |
|------------------------------|----------------------------|------------|------------|------------|

• Outgoing Mail Services

| | | | | |
|-----------|------------------|------------|------------|------------|
| Inserting | Number of pieces | 32,161,027 | 32,200,000 | 32,200,000 |
|-----------|------------------|------------|------------|------------|

General Government

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|-----------------------------------|---------------------|------------------------|------------------------|
| Metering | Number of pieces | 7,262,993 | 7,300,000 | 7,300,000 |
| Presorting | Number of pieces | 29,194,648 | 29,200,000 | 29,200,000 |
| • Property Utilization | | | | |
| Inventory management - federal property | Average days held | N/A | 300 days | 300 days |
| Participation in LESO program | Number of registered customers | 48 | 49 | 51 |
| Participation in programs | Number of registered customers | 1,031 | 1,083 | 1,137 |
| Property transfers processed - federal program | Number of documents | 726 | 799 | 879 |
| Property transfers processed - state program | Number of documents | 1,488 | 1,518 | 1,548 |
| • Vehicle Operations | | | | |
| Compact class | Per mile operating cost | \$0.16 | \$0.16 | \$0.16 |
| Full-size class | Per mile operating cost | \$0.23 | \$0.23 | \$0.23 |
| Leased vehicles | Number of vehicles | 5,605 | 5,600 | 5,600 |
| Mid-size class | Per mile operating cost | \$0.20 | \$0.20 | \$0.20 |
| • DUI Program | | | | |
| Administration | Average loss per vehicle | \$821.00 | \$821.00 | \$821.00 |
| • Special Services | | | | |
| Dispatch fleet | Daily rate | \$24.00 | \$24.00 | \$24.00 |
| • Direct Labor | | | | |
| Properties serviced | Cost per square foot | \$0.45 | \$0.56 | \$0.60 |
| Properties serviced | Manhours utilized per square foot | 9.38 | 11.12 | 12.07 |
| • Indirect Labor/Overhead | | | | |
| Properties serviced | Cost per square foot | \$0.64 | \$0.53 | \$0.47 |
| Properties serviced | Manhours utilized per square foot | 10.32 | 8.67 | 7.62 |
| • Central Printing | | | | |
| AJ Copy Center | In units/hour | 4,090 | 4,200 | 4,305 |
| Central copying | Number of copies | 100,471,770 | 102,500,000 | 102,500,000 |
| Central copying | Number of impressions per job | 14,741 | 14,800 | 14,800 |
| Central copying | Number of requests completed | 6,816 | 6,926 | 6,926 |
| Graphic arts | Number of requests completed | 261 | 280 | 300 |
| Photographic services | Number of requests completed | 763 | 820 | 820 |

General Government

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|----------------------------------|---------------------|------------------------|------------------------|
| Pressroom | In units/hour | 6,905 | 7,112 | 7,325 |
| Service | Scale (1-5) | 4.5 | 4.6 | 4.6 |
| • Procurement | | | | |
| Agency surveys of procurement services | Percentage satisfied | 88% | 95% | 95% |
| Outcomes: agency term contracts awarded | Number | 684 | 700 | 700 |
| Vendor surveys of state procurement process | Percentage satisfied | 57% | 75% | 75% |
| • Small Business Support | | | | |
| Minority owned bids | Awards | 378 | 380 | 380 |
| Minority owned purchases | Bids received | 7,719 | 7,700 | 7,700 |
| Small owned purchases | Awards | 637 | 650 | 650 |
| Small owned purchases | Bids received | 6,821 | 7,000 | 7,000 |
| • Records Center Operation | | | | |
| Operation roundfile | Cubic feet of records destroyed | 40,926 | 40,000 | 40,000 |
| RDA approved | Percentage | 95% | 100% | 100% |
| Records destroyed | Number of cubic feet | 7,103 | 8,000 | 8,000 |
| Records retrieved | Requests completed | 12,252 | 13,000 | 13,000 |
| Records stored | Cubic feet / cost per cubic foot | 81,266/\$1.39 | 85,000/\$1.33 | 90,000/\$1.33 |
| Training classes | Number of classes / participants | 73/407 | 75/500 | 75/500 |
| • Publications/Forms Program | | | | |
| Authorized forms | Number / average cost | 9,132/\$751.00 | 9,200/\$751.00 | 9,200/\$751.00 |
| Authorized publications | Number / average cost | 892/\$4,075.00 | 900/\$4,075.00 | 900/\$4,075.00 |
| • Micrographics | | | | |
| Microfilm duplication | Number of rolls | 654 | 700 | 750 |
| Source document - imaging | Number of images | 597,000 | 597,000 | 597,000 |
| Source document - microfilming | Number of images | 3,465,000 | 3,645,000 | 4,000,000 |
| • Warehousing Operations | | | | |
| Annual inventory variances | Number / Percentage | 982/32% | 600/20% | 300/10% |
| • Cook Chill Services | | | | |
| Increase participation | Number of pounds shipped | 15,705,880 | 15,699,293 | 16,150,000 |
| Monitor satisfaction of services performed | Scale (1-4) | 3.8 | 3.8 | 3.8 |

General Government

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|---------------|---------------------|------------------------|------------------------|
| Monitor the rate of orders filled and shipped | Percentage | 99% | 100% | 100% |
| Reduce contract overhead cost | Cost per meal | \$0.21 | \$0.10 | \$0.20 |

Veterans Affairs

• Field and Claims Divisions

| | | | | |
|---|---|--------|--------|--------|
| Conduct effective skills training for staff and county service officers | Percentage of county service officers trained | 100% | 100% | 100% |
| Increase awareness of services available to veterans in Tennessee | Output records of referrals and assistance | 77,538 | 78,000 | 57,000 |
| Maximize entitlements and return on investment of state dollars | Ratio of federal dollars awarded to TN veterans vs. recurring state dollars in Claims, Field, Admin | 128:1 | 130:1 | 95:1 |

• Cemetery Division

| | | | | |
|---|---|---------|---------|---------|
| Provide a setting that signifies a tribute and reverence to veterans and their families | Number of quarterly on-site evaluations | 4.77 | 5.0 | 5.0 |
| Provide cost efficient and honorable interments and perpetual care | Recurring state dollars per gravesite | \$39.25 | \$39.00 | \$39.00 |

• Administrative Division

| | | | | |
|---|---|-----|-----|-----|
| Conduct departmental representational activities in various public forums | Number of events in which dept participated | 101 | 100 | 100 |
|---|---|-----|-----|-----|

Revenue

• Tax Enforcement

| | | | | |
|--------------------------|--|---------------|---------------|---------------|
| Collect delinquent taxes | Collections in millions | \$134,000,000 | \$138,000,000 | \$138,000,000 |
| Collect delinquent taxes | Cost per \$1 collected | \$.04 | \$.05 | \$.05 |
| Collect delinquent taxes | Average age of outstanding cases in days | 88 | 77 | 77 |

• Taxpayer Services

| | | | | |
|-------------------------------|----------------------|---------|---------|---------|
| Answer telephone calls | Number answered | 431,336 | 500,000 | 500,000 |
| Conduct education seminars | Number conducted | 8 | 16 | 16 |
| Conduct education seminars | Number in attendance | 720 | 1440 | 1440 |
| Make on-line adjustments | Number conducted | 307,029 | 357,000 | 357,000 |
| Process changes and closures | Number processed | 208,972 | 220,000 | 220,000 |
| Process taxpayer registration | New registrations | 49,228 | 50,000 | 50,000 |

General Government

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|---|---------------------|------------------------|------------------------|
| • Audit of Taxpayers Accounts | | | | |
| Audit accounts | Number of field audits | 8,411 | 8,500 | 8,400 |
| Audit accounts | Dollars of assessments | \$242,403,888 | \$254,500,000 | \$261,200,000 |
| Audit accounts | Number of Discovery Project assessments | 6,425 | 6,550 | 6,450 |
| Audit accounts | Number of penalty waivers examined | 5,804 | 5,875 | 5,875 |
| Audit accounts | Number of refunds examined | 12,241 | 12,400 | 12,400 |
| • Processing Tax Returns and Payments | | | | |
| Post returns to accounts | Number of Electronic Funds Transfer (EFT) dollars | \$5,654,972,000 | \$5,937,721,000 | \$6,234,607,000 |
| Post returns to accounts | Number of EFT entities | 8,401 | 8,821 | 9,262 |
| Post returns to accounts | Number of EFT returns | 215,948 | 226,745 | 238,082 |
| Deposit lockbox receipts | Number of dollars | \$132,250,000 | \$138,863,000 | \$145,806,000 |
| Deposit lockbox receipts | Number of items | 521,980 | 548,079 | 575,483 |
| Process returns/remittances | Number of dollars deposited | \$4,107,000 | \$4,312,000 | \$4,528,000 |
| Process returns/remittances | Number of pieces of mail | 2,057,078 | 2,159,932 | 2,267,929 |
| Process returns/remittances | Number of returns processed | 2,111,037 | 2,216,589 | 2,327,418 |
| • Special Investigations | | | | |
| Close cases | Number of annual cases closed | 32 | 32 | 32 |
| Conduct dyed diesel fuel inspections | Annual number non-compliant | 53 | 53 | 53 |
| Conduct retail petroleum tax inspections | Annual number non-compliant | 133 | 133 | 133 |

Education

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Education

Recommended Budget, Fiscal Year 2003 – 2004

This functional area is responsible for the educational efforts of the state, from pre-school and K-12 through all levels of higher education.

The Department of Education coordinates the educational programs of the local public school systems that operate Tennessee's kindergarten, elementary, secondary, and vocational schools. The department also operates the four special schools: Tennessee School for the Blind, Tennessee School for the Deaf, West Tennessee School for the Deaf, and Alvin C. York Agricultural Institute. With assistance from the Department of Education, the State Board of Education formulates the policies, standards, and guidelines governing K-12 public education. The department is responsible for implementing these policies, standards, and guidelines.

Higher education is governed by two independent systems: the University of Tennessee System and the State University and Community College System, more commonly known as the Tennessee Board of Regents System.

The University of Tennessee is a statewide system with three major campuses in Knoxville, Chattanooga, and Martin, and a number of specialized units. The Board of Regents System delivers higher education and vocational training through a network of independent state universities, community colleges, technical institutes, technical community colleges, and technology centers.

The Tennessee Higher Education Commission (THEC) provides coordination, communication, policy analysis, and financial recommendations for both systems. The Tennessee Student Assistance Corporation administers student financial aid programs.

Improvement Highlights

K-12 Education

An improvement of \$26.7 million is recommended to provide funding for teacher salary equalization. These funds are recommended in order to address the Constitutional issue decided by the Tennessee Supreme Court. The funds will provide initial funding to the lowest paying local education agencies, raising all local education systems to a minimum \$37,000 teacher salary average. An estimated 17,161 teachers in 75 school systems will receive a salary increase. \$5.9 million of these funds will be dedicated to holding harmless those school systems not receiving additional teacher salary equalization funds under this appropriation.

The budget also includes \$84.2 million to maintain full funding of the Basic Education Program (BEP). This includes \$33.8 million for formula growth; \$16.3 million to annualize the teacher salary increases effective January 1, 2003; \$25.8 million to annualize the January 1, 2003, group health insurance increase; and \$8.3 million for the January 1, 2004, group health insurance increase.

An improvement of \$236,900 is also included for teacher training and experience salary adjustments at the state's four special schools.

Higher Education

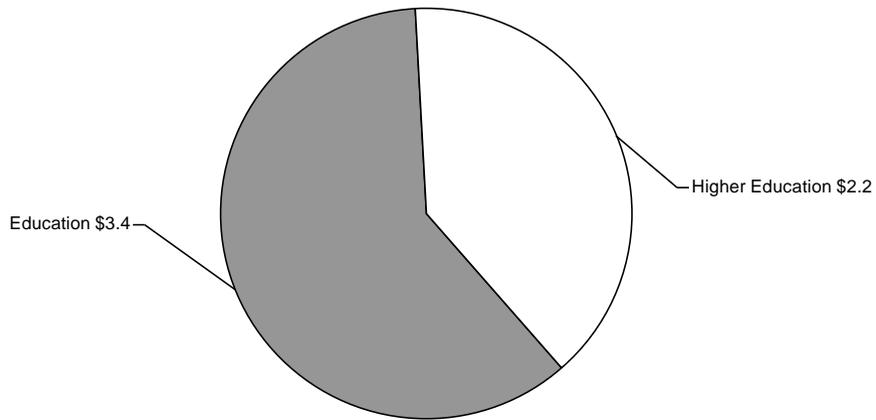
Recommended in this budget is \$500,000 to continue implementation of the Geier desegregation settlement agreement. These funds, in addition to the \$10,765,000 recommended in the base budget, fully fund the anticipated expenditures in fiscal year 2003-2004. Major elements of the plan

include appropriations for the Tennessee State University (TSU) Endowment for Educational Excellence; creation of new, high-demand academic programs at TSU; statewide recruitment and retention initiatives for African American students, faculty, and administrators, including scholarships, pre-doctoral fellowships, visiting professorships, pre-university summer programs, and minority financial aid; recruitment of other-race and

non-traditional students to TSU; and other academic programs at several University of Tennessee and Board of Regents institutions.

The following graph depicts the manner in which funds are divided among the departments within this group. Funding mixes within each department vary. Figures represent state, federal, and other sources of funding, including tuition and fees.

Education FY 2003 - 2004 Recommended



In Billions
\$5,667,742,400 Total

Education Total Personnel and Funding

| | Actual 2001-2002 | Estimated 2002-2003 | Recommended 2003-2004 |
|---------------------|-----------------------------|--------------------------------|----------------------------------|
| Personnel * | | | |
| Full Time | 1,129 | 1,153 | 1,124 |
| Part Time | 15 | 15 | 15 |
| Seasonal | 0 | 0 | 0 |
| TOTAL | 1,144 | 1,168 | 1,139 |
| Expenditures | | | |
| Payroll | \$45,543,300 | \$54,790,000 | \$53,762,800 |
| Operational | 5,339,259,900 | 5,690,427,200 | 5,613,979,600 |
| TOTAL | \$5,384,803,200 | \$5,745,217,200 | \$5,667,742,400 |
| Funding | | | |
| State | \$3,686,592,900 | \$3,866,549,500 | \$3,816,969,300 |
| Tuition/Fees | 622,573,800 | 657,867,100 | 657,867,100 |
| Federal | 664,331,900 | 809,329,900 | 799,222,700 |
| Other | 411,304,600 | 411,470,700 | 393,683,300 |

* Does not include Higher Education's unrestricted education and general personnel.

Education Improvements for Fiscal Year 2003-2004

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> | <u>Positions</u> |
|---|--------------|----------------|--------------|--------------|------------------|
| Education (K-12) | | | | | |
| • Teacher Salary Equalization | | | | | |
| To provide funding for teacher salary equalization. These funds are recommended in order to address the Constitutional issue decided by the Tennessee Supreme Court. The funds will provide initial funding to the lowest paying local education agencies, raising all local education systems to a minimum \$37,000 teacher salary average. An estimated 17,161 teachers in 75 school systems will receive a salary increase. \$5.9 million of these funds will be dedicated to holding harmless those school systems not receiving additional teacher salary equalization funds under this appropriation. | | | | | |
| 331.25 BEP and Other LEA Support | \$26,700,000 | \$0 | \$0 | \$26,700,000 | 0 |
| Sub-total | \$26,700,000 | \$0 | \$0 | \$26,700,000 | 0 |
| • Basic Education Program (BEP) | | | | | |
| To maintain full funding of the Basic Education Program formula. | | | | | |
| 331.25 BEP and Other LEA Support | \$33,786,000 | \$0 | \$0 | \$33,786,000 | 0 |
| Sub-total | \$33,786,000 | \$0 | \$0 | \$33,786,000 | 0 |
| • Teacher Salary Increase - January 1, 2003 | | | | | |
| To provide funding to annualize the January 1, 2003, salary increase for teachers. | | | | | |
| 331.25 BEP and Other LEA Support | \$16,280,000 | \$0 | \$0 | \$16,280,000 | 0 |
| Sub-total | \$16,280,000 | \$0 | \$0 | \$16,280,000 | 0 |
| • Group Health Insurance - January 1, 2003 | | | | | |
| To provide funding for the state share of the January 1, 2003, group health insurance increase for local education agencies. | | | | | |
| 331.25 BEP and Other LEA Support | \$25,800,000 | \$0 | \$0 | \$25,800,000 | 0 |
| Sub-total | \$25,800,000 | \$0 | \$0 | \$25,800,000 | 0 |
| • Group Health Insurance - January 1, 2004 | | | | | |
| To provide funding for the state share of a group health insurance premium increase for local education agencies, effective January 1, 2004. | | | | | |
| 331.25 BEP and Other LEA Support | \$8,350,000 | \$0 | \$0 | \$8,350,000 | 0 |
| Sub-total | \$8,350,000 | \$0 | \$0 | \$8,350,000 | 0 |

Education Improvements for Fiscal Year 2003-2004

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> | <u>Positions</u> |
|---|----------------------|----------------|--------------|----------------------|------------------|
| • Teacher Training and Experience - Special Schools | | | | | |
| To provide funding for projected growth in teacher training and experience at the Special Schools. | | | | | |
| 331.90 Alvin C. York Institute | \$50,200 | \$0 | \$0 | \$50,200 | 0 |
| 331.91 Tennessee School for the Blind | \$83,700 | \$0 | \$0 | \$83,700 | 0 |
| 331.92 Tennessee School for the Deaf | \$63,700 | \$0 | \$0 | \$63,700 | 0 |
| 331.93 West Tennessee School for the Deaf | \$12,300 | \$0 | \$0 | \$12,300 | 0 |
| 331.95 Tennessee Infant-Parent Services School | \$27,000 | \$0 | \$0 | \$27,000 | 0 |
| Sub-total | <u>\$236,900</u> | <u>\$0</u> | <u>\$0</u> | <u>\$236,900</u> | <u>0</u> |
| Total Education (K-12) | \$111,152,900 | \$0 | \$0 | \$111,152,900 | 0 |
| Higher Education | | | | | |
| • Geier Settlement (Desegregation) | | | | | |
| To provide funding to continue implementation of the Geier desegregation settlement agreement. These funds, in addition to the \$10,765,000 recommended in the base budget, fully fund the anticipated expenditures in fiscal year 2003-2004. Major elements of the plan include appropriations for the Tennessee State University (TSU) Endowment for Educational Excellence; creation of new, high-demand academic programs at TSU; statewide recruitment and retention initiatives for African American students, faculty, and administrators, including scholarships, pre-doctoral fellowships, visiting professorships, pre-university summer programs, and minority financial aid; recruitment of other-race and non-traditional students to TSU; and other academic programs at several University of Tennessee and Board of Regents institutions. | | | | | |
| 332.13 Geier Desegregation Settlement | \$500,000 | \$0 | \$0 | \$500,000 | 0 |
| Sub-total | <u>\$500,000</u> | <u>\$0</u> | <u>\$0</u> | <u>\$500,000</u> | <u>0</u> |
| Total Higher Education | \$500,000 | \$0 | \$0 | \$500,000 | 0 |
| Total Education | \$111,652,900 | \$0 | \$0 | \$111,652,900 | 0 |

Department of Education

The Department of Education is responsible for ensuring that the children of Tennessee have the opportunity for intellectual development commensurate with their abilities. The department coordinates and supervises the educational programs provided by the 136 local school districts, or local education agencies (LEAs). The LEAs operate the state's kindergarten, elementary, secondary, and vocational schools. The department carries out its education responsibilities through a multitude of program areas.

Administration and the State Board of Education

Administration functions include policy development, planning, maintenance of the Basic Education Program (BEP) funding formula model, financial management advisory services to LEAs, and collection of student membership data. Sections in Administration include:

- Commissioner's office
- Internal audit
- Personnel, central accounts, and budget
- Teacher licensing
- Local finance
- Public information
- Research and information services.

The State Board of Education is the regulatory and policy-making body for K-12 public education, the state's special schools, and educational television. The board has two primary responsibilities:

- Revising and updating the Master Plan for improving education in the state
- Establishing policies, standards, and guidelines for public education in grades K-12.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 331.01 Administration | | | | | |
| Full-Time | 121 | 110 | 103 | 0 | 103 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 121 | 110 | 103 | 0 | 103 |
| Payroll | 5,637,100 | 6,136,800 | 5,770,000 | 0 | 5,770,000 |
| Operational | 1,842,000 | 1,786,900 | 1,823,700 | 0 | 1,823,700 |
| Total | \$7,479,100 | \$7,923,700 | \$7,593,700 | \$0 | \$7,593,700 |
| State | 6,374,400 | 6,871,000 | 6,504,200 | 0 | 6,504,200 |
| Federal | 1,089,900 | 1,018,200 | 1,055,000 | 0 | 1,055,000 |
| Other | 14,800 | 34,500 | 34,500 | 0 | 34,500 |
| 331.07 State Board of Education | | | | | |
| Full-Time | 6 | 6 | 6 | 0 | 6 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 6 | 6 | 6 | 0 | 6 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 348,800 | 431,100 | 431,100 | 0 | 431,100 |
| Operational | 181,200 | 219,200 | 199,200 | 0 | 199,200 |
| Total | \$530,000 | \$650,300 | \$630,300 | \$0 | \$630,300 |
| State | 529,200 | 650,300 | 630,300 | 0 | 630,300 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 800 | 0 | 0 | 0 | 0 |

State Support of LEA Programs

The BEP is the formula that determines the funding level each school system needs in order to provide a basic level of service for all students. This formula is based on student enrollment in the different grade levels and programs, as well as specific costs for materials, supplies, equipment, and other operating costs. This flow-through funding is provided in the BEP and Other LEA Support allotment code. A county's relative ability to pay for education is taken into consideration in determining each system's required local share of the education funds generated by the BEP formula.

331.25 BEP and Other LEA Support

| | | | | | |
|--------------|------------------------|------------------------|------------------------|----------------------|------------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 2,417,709,700 | 2,515,514,300 | 2,498,241,000 | 110,916,000 | 2,609,157,000 |
| Total | \$2,417,709,700 | \$2,515,514,300 | \$2,498,241,000 | \$110,916,000 | \$2,609,157,000 |
| State | 2,417,463,700 | 2,515,514,300 | 2,498,241,000 | 110,916,000 | 2,609,157,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 246,000 | 0 | 0 | 0 | 0 |

The state also provides support for a number of initiatives designed to address specific needs and special programs, including:

- Career Ladder supplements
- Educational/public television
- Tennessee Holocaust Commission
- Tennessee Alliance for Boys and Girls Club
- Driver Education
- Technology
- Accountability.

331.10 Career Ladder

| | | | | | |
|--------------|----------|----------|----------|----------|----------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 90,608,000 | 94,000,000 | 63,000,000 | 0 | 63,000,000 |
| Total | \$90,608,000 | \$94,000,000 | \$63,000,000 | \$0 | \$63,000,000 |
| State | 90,608,000 | 94,000,000 | 63,000,000 | 0 | 63,000,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

331.02 Grants-In-Aid

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 4,108,600 | 4,303,600 | 3,946,000 | 0 | 3,946,000 |
| Total | \$4,108,600 | \$4,303,600 | \$3,946,000 | \$0 | \$3,946,000 |
| State | 4,108,600 | 4,303,600 | 3,946,000 | 0 | 3,946,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

331.43 Driver Education

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 1,675,000 | 1,700,000 | 1,700,000 | 0 | 1,700,000 |
| Total | \$1,675,000 | \$1,700,000 | \$1,700,000 | \$0 | \$1,700,000 |
| State | 1,675,000 | 1,700,000 | 1,700,000 | 0 | 1,700,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

331.04 Technology, Infrastructure, and Support Systems

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 24 | 24 | 24 | 0 | 24 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 24 | 24 | 24 | 0 | 24 |
| Payroll | 950,700 | 1,483,300 | 1,483,300 | 0 | 1,483,300 |
| Operational | 1,569,600 | 1,248,700 | 1,148,700 | 0 | 1,148,700 |
| Total | \$2,520,300 | \$2,732,000 | \$2,632,000 | \$0 | \$2,632,000 |
| State | 2,518,300 | 2,732,000 | 2,632,000 | 0 | 2,632,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 2,000 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 331.11 Accountability | | | | | |
| Full-Time | 49 | 59 | 56 | 0 | 56 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 49 | 59 | 56 | 0 | 56 |
| Payroll | 2,266,900 | 3,084,200 | 3,032,400 | 0 | 3,032,400 |
| Operational | 6,548,000 | 23,219,800 | 22,119,800 | 0 | 22,119,800 |
| Total | \$8,814,900 | \$26,304,000 | \$25,152,200 | \$0 | \$25,152,200 |
| State | 7,631,800 | 16,787,100 | 15,635,300 | 0 | 15,635,300 |
| Federal | 0 | 7,064,400 | 7,064,400 | 0 | 7,064,400 |
| Other | 1,183,100 | 2,452,500 | 2,452,500 | 0 | 2,452,500 |

In order to establish statewide standards as a foundation for teaching and learning, the Office of Curriculum and Instruction is charged with the responsibility of providing local school systems with leadership and technical assistance in the design, development, and technical assistance for K-12 instructional programs. Programs include the Governor's Study Partner Program, music, art, and programs for gifted students such as the Governor's Schools. The Governor's Schools program provides four weeks of summer enrichment programs to gifted and talented high school juniors and seniors. The seven Governor's schools are:

- Science
- Arts
- Humanities
- International studies
- Prospective teachers
- Tennessee studies
- Manufacturing technology.

Through the Training and Professional Development program, the department provides training and professional development opportunities for instructional personnel, school system superintendents, and board members. The department also provides training for teachers and administrators in technology by offering workshops, training sessions, and the annual Tennessee Education Technology Conference.

331.06 Curriculum and Instruction

| | | | | | |
|--------------|--------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 24 | 31 | 27 | 0 | 27 |
| Part-Time | 9 | 9 | 9 | 0 | 9 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 33 | 40 | 36 | 0 | 36 |
| Payroll | 1,105,500 | 1,628,200 | 1,491,800 | 0 | 1,491,800 |
| Operational | 1,119,100 | 25,600,500 | 25,391,600 | 0 | 25,391,600 |
| Total | \$2,224,600 | \$27,228,700 | \$26,883,400 | \$0 | \$26,883,400 |
| State | 2,135,400 | 3,381,400 | 3,036,100 | 0 | 3,036,100 |
| Federal | 87,200 | 23,797,200 | 23,797,200 | 0 | 23,797,200 |
| Other | 2,000 | 50,100 | 50,100 | 0 | 50,100 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 331.05 Training and Professional Development | | | | | |
| Full-Time | 22 | 19 | 18 | 0 | 18 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 22 | 19 | 18 | 0 | 18 |
| Payroll | 865,700 | 1,297,000 | 1,226,000 | 0 | 1,226,000 |
| Operational | 3,910,300 | 10,203,200 | 8,876,000 | 0 | 8,876,000 |
| Total | \$4,776,000 | \$11,500,200 | \$10,102,000 | \$0 | \$10,102,000 |
| State | 4,765,400 | 9,420,600 | 8,022,400 | 0 | 8,022,400 |
| Federal | 0 | 1,465,000 | 1,465,000 | 0 | 1,465,000 |
| Other | 10,600 | 614,600 | 614,600 | 0 | 614,600 |

Federally-Funded and Supported LEA Programs

Various federally-funded programs, including funding for the No Child Left Behind Act, are designed to enhance the learning environment of disadvantaged and disabled students. Other programs support teacher training in the core academic subjects as well as drug awareness and AIDS education. Title I, Title II, and Title V of the Elementary and Secondary Education Act (ESEA) are entirely federally-funded and administered by the state. Child nutrition programs, services to handicapped students, and vocational education programs are federally and state funded.

331.12 Goals 2000 and Technology Literacy

| | | | | | |
|--------------|---------------------|--------------------|------------|------------|------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 13,927,500 | 8,779,600 | 0 | 0 | 0 |
| Total | \$13,927,500 | \$8,779,600 | \$0 | \$0 | \$0 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 13,927,500 | 8,779,600 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

The No Child Left Behind Act is primarily designed to target resources for school improvements and support initiatives to enhance the learning environment. This act, which represents the President's education reform plan, contains four basic education reform principles: stronger accountability for results, increased flexibility and local control, expanded options for parents, and an emphasis on teaching methods that have been proven to work.

331.03 ESEA No Child Left Behind

| | | | | | |
|--------------|-----------|-----------|-----------|----------|-----------|
| Full-Time | 35 | 43 | 43 | 0 | 43 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 35 | 43 | 43 | 0 | 43 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 1,787,100 | 2,500,800 | 2,500,800 | 0 | 2,500,800 |
| Operational | 178,805,400 | 222,709,400 | 213,855,600 | 0 | 213,855,600 |
| Total | \$180,592,500 | \$225,210,200 | \$216,356,400 | \$0 | \$216,356,400 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 180,586,100 | 225,210,200 | 216,356,400 | 0 | 216,356,400 |
| Other | 6,400 | 0 | 0 | 0 | 0 |

Improving School Programs fund a variety of initiatives designed to provide support for local efforts. The School-age Child Care Program was adopted by law in 1989 to encourage the development of before and after school child care programs. The department is responsible for annually inspecting each site for compliance with state child care standards. The Early Childhood Education Initiative was implemented in 1998 to improve the effectiveness of the Title I and locally-funded preschool programs in order to meet the goal of school readiness. The Safe and Drug-Free Schools and Communities Program provides financial and technical support to schools and communities in their efforts to reduce adolescent drug use and violence. Even Start grants fund a family literacy program to prepare preschool children for school and to assist parents in working with their children. Financial support is provided through a variety of grant programs, including formula grants to LEAs as well as discretionary grants to both school and community-based programs. Other federally funded programs in the Improving School Programs allotment code include:

- Homeless grants
- Learn and Serve grants
- Byrd scholarships
- Troops to Teachers
- Head Start State Collaborative.

331.09 Improving School Programs

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 41 | 47 | 43 | 0 | 43 |
| Part-Time | 1 | 1 | 1 | 0 | 1 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 42 | 48 | 44 | 0 | 44 |
| Payroll | 1,564,900 | 2,505,400 | 2,288,000 | 0 | 2,288,000 |
| Operational | 36,163,700 | 49,439,900 | 29,967,600 | 0 | 29,967,600 |
| Total | \$37,728,600 | \$51,945,300 | \$32,255,600 | \$0 | \$32,255,600 |
| State | 8,697,600 | 9,226,900 | 8,944,000 | 0 | 8,944,000 |
| Federal | 17,704,000 | 30,301,000 | 22,621,400 | 0 | 22,621,400 |
| Other | 11,327,000 | 12,417,400 | 690,200 | 0 | 690,200 |

The Division of Special Education Services is responsible for initiating, improving, and expanding special education programs and services to children with disabilities as mandated by state and federal law. The division serves children through two major efforts:

- Providing technical assistance to school systems and agencies that provide special education programs
- Ensuring that the rights of disabled children and their parents are protected by:
 - (a) Mediating, upon request, disagreements between local school systems and parents regarding a child's educational program
 - (b) Providing due process hearings.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 331.36 Special Education Services | | | | | |
| Full-Time | 65 | 70 | 70 | 0 | 70 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 65 | 70 | 70 | 0 | 70 |
| Payroll | 2,810,000 | 3,792,500 | 3,792,500 | 0 | 3,792,500 |
| Operational | 125,285,400 | 151,690,800 | 151,690,800 | 0 | 151,690,800 |
| Total | \$128,095,400 | \$155,483,300 | \$155,483,300 | \$0 | \$155,483,300 |
| State | 501,800 | 524,900 | 524,900 | 0 | 524,900 |
| Federal | 127,589,300 | 154,958,400 | 154,958,400 | 0 | 154,958,400 |
| Other | 4,300 | 0 | 0 | 0 | 0 |

The Tennessee Infant Parent Services School program provides home-based services to parents and other primary care providers and direct services to children with disabilities.

331.95 Tennessee Infant-Parent Services School

| | | | | | |
|--------------|---------------------|---------------------|---------------------|-----------------|---------------------|
| Full-Time | 35 | 35 | 35 | 0 | 35 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 35 | 35 | 35 | 0 | 35 |
| Payroll | 2,118,600 | 2,320,200 | 2,395,400 | 27,000 | 2,422,400 |
| Operational | 17,214,400 | 21,219,300 | 21,144,100 | 0 | 21,144,100 |
| Total | \$19,333,000 | \$23,539,500 | \$23,539,500 | \$27,000 | \$23,566,500 |
| State | 12,664,900 | 13,408,400 | 13,408,400 | 27,000 | 13,435,400 |
| Federal | 6,666,600 | 10,131,100 | 10,131,100 | 0 | 10,131,100 |
| Other | 1,500 | 0 | 0 | 0 | 0 |

The School Nutrition programs provide nutrition education and nutritious meals during the school day. To ensure that all students have access to a nutritious meal, the division reimburses LEAs for all eligible students who participate in the School Lunch and School Breakfast programs.

331.35 School Nutrition Programs

| | | | | | |
|--------------|----------------------|----------------------|----------------------|------------|----------------------|
| Full-Time | 21 | 21 | 21 | 0 | 21 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 21 | 21 | 21 | 0 | 21 |
| Payroll | 1,035,100 | 1,180,300 | 1,180,300 | 0 | 1,180,300 |
| Operational | 162,969,300 | 179,153,300 | 193,961,700 | 0 | 193,961,700 |
| Total | \$164,004,400 | \$180,333,600 | \$195,142,000 | \$0 | \$195,142,000 |
| State | 4,860,100 | 4,997,100 | 4,805,500 | 0 | 4,805,500 |
| Federal | 159,138,200 | 175,336,500 | 190,336,500 | 0 | 190,336,500 |
| Other | 6,100 | 0 | 0 | 0 | 0 |

The Vocational Education program is responsible for providing specialized education services to the state's high school students that will prepare them for employment and/or post-secondary education. The Division of Vocational Education also provides direction to the LEAs in establishing and maintaining programs in areas such as:

- Agriculture
- Family and consumer services
- Trade and industry
- Information technology
- Marketing
- Health science
- Technology education.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 331.45 Vocational Education Programs | | | | | |
| Full-Time | 61 | 61 | 51 | 0 | 51 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 61 | 61 | 51 | 0 | 51 |
| Payroll | 2,001,500 | 3,296,300 | 2,866,600 | 0 | 2,866,600 |
| Operational | 25,274,500 | 30,965,800 | 30,977,100 | 0 | 30,977,100 |
| Total | \$27,276,000 | \$34,262,100 | \$33,843,700 | \$0 | \$33,843,700 |
| State | 3,212,800 | 4,006,400 | 3,588,000 | 0 | 3,588,000 |
| Federal | 23,221,700 | 29,197,600 | 29,380,800 | 0 | 29,380,800 |
| Other | 841,500 | 1,058,100 | 874,900 | 0 | 874,900 |

Special Schools

The department operates three schools across the state in order to provide academic, vocational, and special instruction education opportunities in residential settings for legally blind, deaf, and/or multi-disabled children ages preschool to 21. These schools are the Tennessee School for the Blind, the Tennessee School for the Deaf, and the West Tennessee School for the Deaf. The programs offered include:

- Academic instruction
- Self-care skills
- Counseling
- Pre-vocational training
- Child health and safety
- Independent living skills
- Consultation services to LEAs
- Diagnosis and identification of learning problems.

Additionally, the department operates the Alvin C. York Institute in Jamestown, a model rural high school that serves as a center for improving rural education.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 331.91 Tennessee School for the Blind | | | | | |
| Full-Time | 184 | 184 | 184 | 0 | 184 |
| Part-Time | 3 | 3 | 3 | 0 | 3 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 187 | 187 | 187 | 0 | 187 |
| Payroll | 6,858,200 | 7,280,800 | 7,280,800 | 83,700 | 7,364,500 |
| Operational | 1,409,500 | 2,225,500 | 1,593,600 | 0 | 1,593,600 |
| Total | \$8,267,700 | \$9,506,300 | \$8,874,400 | \$83,700 | \$8,958,100 |
| State | 7,440,200 | 8,010,400 | 8,010,400 | 83,700 | 8,094,100 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 827,500 | 1,495,900 | 864,000 | 0 | 864,000 |
| 331.92 Tennessee School for the Deaf | | | | | |
| Full-Time | 244 | 245 | 245 | 0 | 245 |
| Part-Time | 1 | 1 | 1 | 0 | 1 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 245 | 246 | 246 | 0 | 246 |
| Payroll | 8,338,300 | 9,035,200 | 9,035,200 | 63,700 | 9,098,900 |
| Operational | 2,324,600 | 3,343,800 | 2,735,300 | 0 | 2,735,300 |
| Total | \$10,662,900 | \$12,379,000 | \$11,770,500 | \$63,700 | \$11,834,200 |
| State | 10,256,400 | 11,284,500 | 11,284,500 | 63,700 | 11,348,200 |
| Federal | 0 | 37,800 | 37,800 | 0 | 37,800 |
| Other | 406,500 | 1,056,700 | 448,200 | 0 | 448,200 |
| 331.93 West Tennessee School for the Deaf | | | | | |
| Full-Time | 42 | 42 | 42 | 0 | 42 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 42 | 42 | 42 | 0 | 42 |
| Payroll | 1,503,600 | 1,645,400 | 1,645,400 | 12,300 | 1,657,700 |
| Operational | 258,400 | 332,800 | 332,800 | 0 | 332,800 |
| Total | \$1,762,000 | \$1,978,200 | \$1,978,200 | \$12,300 | \$1,990,500 |
| State | 1,630,200 | 1,780,000 | 1,780,000 | 12,300 | 1,792,300 |
| Federal | 0 | 39,500 | 39,500 | 0 | 39,500 |
| Other | 131,800 | 158,700 | 158,700 | 0 | 158,700 |
| 331.90 Alvin C. York Institute | | | | | |
| Full-Time | 76 | 76 | 76 | 0 | 76 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 76 | 76 | 76 | 0 | 76 |
| Payroll | 3,315,100 | 3,466,400 | 3,466,400 | 50,200 | 3,516,600 |
| Operational | 817,400 | 906,200 | 924,200 | 0 | 924,200 |
| Total | \$4,132,500 | \$4,372,600 | \$4,390,600 | \$50,200 | \$4,440,800 |
| State | 3,502,100 | 3,723,400 | 3,723,400 | 50,200 | 3,773,600 |
| Federal | 28,400 | 37,500 | 37,500 | 0 | 37,500 |
| Other | 602,000 | 611,700 | 629,700 | 0 | 629,700 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 331.97 Major Maintenance | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 284,600 | 239,100 | 239,100 | 0 | 239,100 |
| Total | \$284,600 | \$239,100 | \$239,100 | \$0 | \$239,100 |
| State | 193,600 | 239,100 | 239,100 | 0 | 239,100 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 91,000 | 0 | 0 | 0 | 0 |
| 331.00 Department Total | | | | | |
| Full-Time | 1,050 | 1,073 | 1,044 | 0 | 1,044 |
| Part-Time | 14 | 14 | 14 | 0 | 14 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 1,064 | 1,087 | 1,058 | 0 | 1,058 |
| Payroll | 42,507,100 | 51,083,900 | 49,886,000 | 236,900 | 50,122,900 |
| Operational | 3,094,006,200 | 3,348,801,700 | 3,273,867,900 | 110,916,000 | 3,384,783,900 |
| Total | \$3,136,513,300 | \$3,399,885,600 | \$3,323,753,900 | \$111,152,900 | \$3,434,906,800 |
| State | 2,590,769,500 | 2,712,561,400 | 2,659,655,500 | 111,152,900 | 2,770,808,400 |
| Federal | 530,038,900 | 667,374,000 | 657,281,000 | 0 | 657,281,000 |
| Other | 15,704,900 | 19,950,200 | 6,817,400 | 0 | 6,817,400 |

Statistical Data

State Special Schools

| | York Institute 331.90 | TN School for the Blind 331.91 | TN School for the Deaf 331.92 | West TN School for the Deaf 331.93 |
|-------------------------------|-----------------------------|--------------------------------------|-------------------------------------|--|
| Annual Admissions | | | | |
| 1996-1997 | 750 | 12 | 28 | 45 |
| 1997-1998 | 750 | 10 | 27 | 55 |
| 1998-1999 | 718 | 13 | 28 | 59 |
| 1999-2000 | 800 | 16 | 29 | 57 |
| 2000-2001 | 723 | 12 | 32 | 51 |
| 2001-2002 | 750 | 12 | 24 | 51 |
| 2002-2003 | 775 | 13 | 33 | 59 |
| 2003-2004 | 775 | 14 | 40 | 59 |
| Annual Releases | | | | |
| 1996-1997 | 250 | 10 | 22 | 4 |
| 1997-1998 | 250 | 8 | 22 | 5 |
| 1998-1999 | 250 | 8 | 30 | 9 |
| 1999-2000 | 250 | 8 | 27 | 6 |
| 2000-2001 | 210 | 4 | 30 | 5 |
| 2001-2002 | 175 | 4 | 38 | 8 |
| 2002-2003 | 175 | 4 | 32 | 5 |
| 2003-2004 | 175 | 4 | 32 | 7 |
| Average Daily Census | | | | |
| 1996-1997 | 673 | 164 | 201 | 39 |
| 1997-1998 | 676 | 164 | 180 | 45 |
| 1998-1999 | 621 | 167 | 184 | 52 |
| 1999-2000 | 617 | 172 | 179 | 47 |
| 2000-2001 | 575 | 210 | 179 | 43 |
| 2001-2002 | 575 | 210 | 188 | 44 |
| 2002-2003 | 610 | 212 | 188 | 55 |
| 2003-2004 | 574 | 213 | 188 | 49 |
| Cost Per Occupancy Day | | | | |
| 1996-1997 | \$28.71 | \$183.65 | \$218.60 | \$161.05 |
| 1997-1998 | \$28.84 | \$229.58 | \$280.18 | \$157.70 |
| 1998-1999 | \$32.82 | \$246.77 | \$305.89 | \$157.57 |
| 1999-2000 | \$37.01 | \$245.24 | \$309.31 | \$195.28 |
| 2000-2001 | \$39.93 | \$215.39 | \$349.71 | \$224.42 |
| 2001-2002 | \$39.93 | \$218.72 | \$330.94 | \$227.65 |
| 2002-2003 | \$42.25 | \$249.12 | \$365.81 | \$261.67 |
| 2003-2004 | \$40.44 | \$233.65 | \$349.71 | \$257.17 |

Higher Education

Providing affordable, high-quality, post-secondary education to Tennesseans is the mission of the state-sponsored higher education program. Higher Education also provides valuable services through its research, medical, agriculture, and public service programs. In addition, emphasis is placed on coordination, student financial aid, and special programs designed to improve the overall quality of education in Tennessee. The University of Tennessee System, the State University and Community College System, the Tennessee Higher Education Commission, and the Tennessee Student Assistance Corporation work together to accomplish these activities.

State-Administered Programs

Tennessee Higher Education Commission

The Tennessee Higher Education Commission (THEC) was created to coordinate and unify Tennessee's program of public higher education. Its primary responsibilities include:

- Developing and maintaining a master plan for public higher education in Tennessee
- Developing policies and formulas for the fair and equitable distribution of public funds among Tennessee's public institutions of higher education
- Studying the need for programs, departments, and other educational activities at Tennessee's institutions of higher learning
- Reviewing all proposals for new degrees or degree programs and academic departments or divisions within the institutions
- Studying and making determinations concerning the establishment of new institutions of higher learning
- Submitting a biennial report to the Governor and the Legislature on the status of higher education
- Administering the contract education program with in-state private institutions and with out-of-state institutions through the Southern Regional Education Board
- Coordinating desegregation planning in public institutions
- Administering the tuition waiver and discount programs
- Authorizing post-secondary educational institutions to operate in the state and reviewing programs to ensure they meet minimum standards set forth in the Post-secondary Education Authorization Act.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 332.01 Tennessee Higher Education Commission | | | | | |
| Full-Time | 32 | 33 | 33 | 0 | 33 |
| Part-Time | 1 | 1 | 1 | 0 | 1 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 33 | 34 | 34 | 0 | 34 |
| Payroll | 1,810,100 | 2,271,200 | 2,253,700 | 0 | 2,253,700 |
| Operational | 703,100 | 757,100 | 598,300 | 0 | 598,300 |
| Total | \$2,513,200 | \$3,028,300 | \$2,852,000 | \$0 | \$2,852,000 |
| State | 1,682,700 | 2,053,900 | 1,877,600 | 0 | 1,877,600 |
| Federal | 242,900 | 286,500 | 272,300 | 0 | 272,300 |
| Other | 587,600 | 687,900 | 702,100 | 0 | 702,100 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|----------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 332.02 Contract Education | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 2,375,100 | 2,500,200 | 2,290,100 | 0 | 2,290,100 |
| Total | \$2,375,100 | \$2,500,200 | \$2,290,100 | \$0 | \$2,290,100 |
| State | 2,375,100 | 2,500,200 | 2,290,100 | 0 | 2,290,100 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

332.09 THEC Grants

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 3,837,200 | 4,044,600 | 3,796,500 | 0 | 3,796,500 |
| Total | \$3,837,200 | \$4,044,600 | \$3,796,500 | \$0 | \$3,796,500 |
| State | 2,691,100 | 2,757,700 | 2,509,600 | 0 | 2,509,600 |
| Federal | 1,146,100 | 1,286,900 | 1,286,900 | 0 | 1,286,900 |
| Other | 0 | 0 | 0 | 0 | 0 |

Tennessee Student Assistance Corporation

The Tennessee Student Assistance Corporation (TSAC) is a non-profit corporation that administers state and federal student financial assistance programs. TSAC's duties include:

- Guaranteeing student loans
- Administering the Academic Scholars Program and, for financially needy Tennesseans, the Tennessee Student Assistance Awards Program
- Administering loan/scholarship programs encouraging students to enter into the teaching, nursing, and medical professions
- Executing the federal program designed to prevent potential defaults on student loans
- Arranging or serving as the lender of last resort.

332.03 Tennessee Student Assistance Awards

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 37,355,100 | 46,991,600 | 42,770,900 | 0 | 42,770,900 |
| Total | \$37,355,100 | \$46,991,600 | \$42,770,900 | \$0 | \$42,770,900 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| State | 36,356,000 | 45,429,200 | 41,208,500 | 0 | 41,208,500 |
| Federal | 999,100 | 1,562,400 | 1,562,400 | 0 | 1,562,400 |
| Other | 0 | 0 | 0 | 0 | 0 |

332.04 Federal Family Education Loan Program (FFELP)

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 88,748,900 | 80,000,000 | 80,000,000 | 0 | 80,000,000 |
| Total | \$88,748,900 | \$80,000,000 | \$80,000,000 | \$0 | \$80,000,000 |
| State | 21,891,100 | 0 | 0 | 0 | 0 |
| Federal | 62,701,700 | 76,602,500 | 76,602,500 | 0 | 76,602,500 |
| Other | 4,156,100 | 3,397,500 | 3,397,500 | 0 | 3,397,500 |

332.05 Tennessee Student Assistance Corporation

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 33 | 33 | 33 | 0 | 33 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 33 | 33 | 33 | 0 | 33 |
| Payroll | 1,226,100 | 1,434,900 | 1,386,200 | 0 | 1,386,200 |
| Operational | 10,613,200 | 14,002,600 | 13,816,000 | 0 | 13,816,000 |
| Total | \$11,839,300 | \$15,437,500 | \$15,202,200 | \$0 | \$15,202,200 |
| State | 924,100 | 1,358,700 | 1,239,600 | 0 | 1,239,600 |
| Federal | 5,027,700 | 3,796,300 | 3,796,300 | 0 | 3,796,300 |
| Other | 5,887,500 | 10,282,500 | 10,166,300 | 0 | 10,166,300 |

332.07 Loan/Scholarship Programs

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 2,023,400 | 2,123,500 | 2,104,500 | 0 | 2,104,500 |
| Total | \$2,023,400 | \$2,123,500 | \$2,104,500 | \$0 | \$2,104,500 |
| State | 1,137,000 | 1,191,000 | 1,191,000 | 0 | 1,191,000 |
| Federal | 2,200 | 0 | 0 | 0 | 0 |
| Other | 884,200 | 932,500 | 913,500 | 0 | 913,500 |

Tennessee Foreign Language Institute

The Tennessee Foreign Language Institute mission is to promote, encourage, enhance and facilitate the learning and teaching of foreign languages. The Institute serves more than 4,000 people per year through classes in more than 115 languages and self-study programs in another 26 languages.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|

332.14 Tennessee Foreign Language Institute

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 14 | 14 | 14 | 0 | 14 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 14 | 14 | 14 | 0 | 14 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 1,643,200 | 1,666,400 | 1,639,600 | 0 | 1,639,600 |
| Total | \$1,643,200 | \$1,666,400 | \$1,639,600 | \$0 | \$1,639,600 |
| State | 270,200 | 298,500 | 271,700 | 0 | 271,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,373,000 | 1,367,900 | 1,367,900 | 0 | 1,367,900 |

Academic Scholars Program

The Academic Scholars Program provides scholarships to some of Tennessee's brightest graduating high school students to encourage them to attend Tennessee's higher education institutions. This program is administered by the Tennessee Student Assistance Corporation.

332.06 Academic Scholars Program

| | | | | | |
|--------------|------------------|------------------|------------------|------------|------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 565,500 | 630,500 | 630,500 | 0 | 630,500 |
| Total | \$565,500 | \$630,500 | \$630,500 | \$0 | \$630,500 |
| State | 251,800 | 251,800 | 251,800 | 0 | 251,800 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 313,700 | 378,700 | 378,700 | 0 | 378,700 |

Centers of Excellence

The Centers of Excellence Program provides additional funding to Tennessee's public four-year universities to supplement specific disciplines that are excellent or demonstrate the potential to become excellent. The state has established 26 Centers of Excellence based on the following principles: expansion of research and economic development activities, attainment of regional and national recognition, enhancement of existing institutional strengths, and differentiation of missions among institutions. This program is administered by the Tennessee Higher Education Commission.

332.08 Centers of Excellence

| | | | | | |
|--------------|----------|----------|----------|----------|----------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 17,520,200 | 18,707,600 | 17,024,300 | 0 | 17,024,300 |
| Total | \$17,520,200 | \$18,707,600 | \$17,024,300 | \$0 | \$17,024,300 |
| State | 17,520,200 | 18,707,600 | 17,024,300 | 0 | 17,024,300 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

Centers of Emphasis

The Campus Centers of Emphasis Program provides supplemental funding to demonstrably excellent programs at the state's public two-year institutions. The state has established 15 Campus Centers of Emphasis based on the same principles applying to the Centers of Excellence. This program is administered by the Tennessee Higher Education Commission.

332.11 Campus Centers of Emphasis

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 1,256,200 | 1,343,700 | 1,222,700 | 0 | 1,222,700 |
| Total | \$1,256,200 | \$1,343,700 | \$1,222,700 | \$0 | \$1,222,700 |
| State | 1,256,200 | 1,343,700 | 1,222,700 | 0 | 1,222,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

Geier Desegregation Agreement

In January 2001, a settlement agreement in the *Geier* higher education desegregation lawsuit was approved by the U.S. District Court in Nashville. Implementation of the agreement will result in final resolution of the lawsuit that was filed in 1968. The settlement agreement is designed to “create an educational system that enhances increased enrollment of African American students at the predominately white institutions and that likewise enhances the enrollment of white students at the state’s predominately black institution,” which is Tennessee State University (TSU) in Nashville. The agreement also is intended “to increase the presence of other-race faculty, staff, and administrators on the campuses of the state’s colleges and universities.”

Except for one 10-year funding commitment, the plan is to be implemented over five years from January 4, 2001. The agreement sets forth commitments for higher education in middle Tennessee, statewide issues in both university systems, and implementation.

Major ingredients of the plan require annual appropriations for a TSU Endowment for Educational Excellence over 10 years; capital improvements and revitalization of the TSU Avon Williams Downtown Campus; consideration of merger of the Nashville School of Law with TSU; creation of new, high-demand academic programs at TSU as an alternative to the law school merger; statewide recruitment and retention initiatives for African American students, faculty, and administrators, including scholarships, pre-doctoral fellowships, visiting professorships, pre-

university summer programs, and minority financial aid; and recruitment of other-race and non-traditional students to TSU.

The first appropriation for the state's commitment to this settlement agreement was made in the 2001 General Appropriations Act, and administrative initiatives began in the last half of fiscal year 2000-2001. Major program initiative spending began in fiscal year 2001-2002 and continues in the current year and next year.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 332.13 Geier Desegregation Settlement | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 3,788,200 | 21,298,600 | 10,765,000 | 500,000 | 11,265,000 |
| Total | \$3,788,200 | \$21,298,600 | \$10,765,000 | \$500,000 | \$11,265,000 |
| State | 3,788,200 | 16,765,000 | 10,765,000 | 500,000 | 11,265,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 4,533,600 | 0 | 0 | 0 |
| Total State-Administered Programs | | | | | |
| Full-Time | 79 | 80 | 80 | 0 | 80 |
| Part-Time | 1 | 1 | 1 | 0 | 1 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 80 | 81 | 81 | 0 | 81 |
| Payroll | 3,036,200 | 3,706,100 | 3,639,900 | 0 | 3,639,900 |
| Operational | 170,429,300 | 194,066,400 | 176,658,400 | 500,000 | 177,158,400 |
| Total | \$173,465,500 | \$197,772,500 | \$180,298,300 | \$500,000 | \$180,798,300 |
| State | 90,143,700 | 92,657,300 | 79,851,900 | 500,000 | 80,351,900 |
| Federal | 70,119,700 | 83,534,600 | 83,520,400 | 0 | 83,520,400 |
| Other | 13,202,100 | 21,580,600 | 16,926,000 | 0 | 16,926,000 |

University of Tennessee System

The University of Tennessee is a statewide land grant institution governed by a Board of Trustees. The University of Tennessee offers academic programs in a large number of specialized areas at the bachelor's, master's, and doctoral levels. In addition to the traditional teaching mission, the UT system is engaged in a number of research and public service activities.

Note: Position counts shown below are for full-time, unrestricted education and general employees only. Full-time equivalent (FTE) enrollments are for Fall 2001 and 2002. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general, and auxiliary enterprise sources.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 332.10 UT University-Wide Administration | | | | | |
| Full-Time | | | | | |
| Administrative | 193 | 150 | 150 | 0 | 150 |
| Faculty | 0 | 0 | 0 | 0 | 0 |
| Clerical/Support | 234 | 184 | 184 | 0 | 184 |
| Total | 427 | 334 | 334 | 0 | 334 |
| FTE Enrollment | | | | | |
| | 0 | 0 | 0 | 0 | 0 |
| State | | | | | |
| | 3,184,800 | 3,249,500 | 2,961,000 | 0 | 2,961,000 |
| Federal | | | | | |
| | 0 | 0 | 0 | 0 | 0 |
| Other | | | | | |
| | 19,687,300 | 16,827,500 | 16,827,500 | 0 | 16,827,500 |
| Tuition/Fees | | | | | |
| | 0 | 0 | 0 | 0 | 0 |
| Total | \$22,872,100 | \$20,077,000 | \$19,788,500 | \$0 | \$19,788,500 |

Public Service

One of the missions of the University of Tennessee is to provide services to the public beyond traditional post-secondary and professional education and training by:

- Providing information and technical assistance to business, industry, and government
- Advising the counties, cities, and towns of Tennessee in such areas as law, public works, finance, accounting, and governmental affairs
- Providing continuing education on and off campuses, with special emphasis on degree-granting programs in non-traditional settings.

332.15 UT Institute for Public Service

| | | | | | |
|------------------|-----------|-----------|-----------|----------|-----------|
| Full-Time | | | | | |
| Administrative | 37 | 31 | 31 | 0 | 31 |
| Faculty | 0 | 0 | 0 | 0 | 0 |
| Clerical/Support | 19 | 16 | 16 | 0 | 16 |
| Total | 56 | 47 | 47 | 0 | 47 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|----------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| FTE Enrollment | 0 | 0 | 0 | 0 | 0 |
| State | 4,801,900 | 4,941,800 | 4,498,200 | 0 | 4,498,200 |
| Federal | 667,700 | 539,400 | 539,400 | 0 | 539,400 |
| Other | 588,800 | 253,800 | 253,800 | 0 | 253,800 |
| Tuition/Fees | 0 | 0 | 0 | 0 | 0 |
| Total | \$6,058,400 | \$5,735,000 | \$5,291,400 | \$0 | \$5,291,400 |

332.16 UT Municipal Technical Advisory Service

| | | | | | |
|------------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | | | | | |
| Administrative | 30 | 31 | 31 | 0 | 31 |
| Faculty | 0 | 0 | 0 | 0 | 0 |
| Clerical/Support | 14 | 13 | 13 | 0 | 13 |
| Total | 44 | 44 | 44 | 0 | 44 |
| FTE Enrollment | 0 | 0 | 0 | 0 | 0 |
| State | 1,462,500 | 1,535,800 | 1,431,400 | 0 | 1,431,400 |
| Federal | 8,600 | 0 | 0 | 0 | 0 |
| Other | 2,004,500 | 2,082,600 | 2,082,600 | 0 | 2,082,600 |
| Tuition/Fees | 0 | 0 | 0 | 0 | 0 |
| Total | \$3,475,600 | \$3,618,400 | \$3,514,000 | \$0 | \$3,514,000 |

332.17 UT County Technical Assistance Service

| | | | | | |
|------------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | | | | | |
| Administrative | 22 | 23 | 23 | 0 | 23 |
| Faculty | 0 | 0 | 0 | 0 | 0 |
| Clerical/Support | 4 | 4 | 4 | 0 | 4 |
| Total | 26 | 27 | 27 | 0 | 27 |
| FTE Enrollment | 0 | 0 | 0 | 0 | 0 |
| State | 1,102,600 | 1,161,300 | 1,023,200 | 0 | 1,023,200 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,833,700 | 1,881,800 | 1,881,800 | 0 | 1,881,800 |
| Tuition/Fees | 0 | 0 | 0 | 0 | 0 |
| Total | \$2,936,300 | \$3,043,100 | \$2,905,000 | \$0 | \$2,905,000 |

Agricultural Units

Agricultural programs are an important focus of the University of Tennessee in its capacity as a land grant institution. The various units of the program promote and support agriculture through basic and applied research, through assistance to community groups in all 95 counties, and through veterinary training and research.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 332.25 UT Agricultural Experiment Station | | | | | |
| Full-Time | | | | | |
| Administrative | 128 | 124 | 124 | 0 | 124 |
| Faculty | 93 | 85 | 85 | 0 | 85 |
| Clerical/Support | 226 | 225 | 225 | 0 | 225 |
| Total | 447 | 434 | 434 | 0 | 434 |
| FTE Enrollment | 0 | 0 | 0 | 0 | 0 |
| State | 20,721,500 | 21,470,100 | 19,538,900 | 0 | 19,538,900 |
| Federal | 5,367,100 | 5,340,000 | 5,340,000 | 0 | 5,340,000 |
| Other | 3,487,400 | 3,125,500 | 3,125,500 | 0 | 3,125,500 |
| Tuition/Fees | 0 | 0 | 0 | 0 | 0 |
| Total | \$29,576,000 | \$29,935,600 | \$28,004,400 | \$0 | \$28,004,400 |

332.26 UT Agricultural Extension Service

| | | | | | |
|------------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | | | | | |
| Administrative | 305 | 289 | 289 | 0 | 289 |
| Faculty | 66 | 63 | 63 | 0 | 63 |
| Clerical/Support | 146 | 152 | 152 | 0 | 152 |
| Total | 517 | 504 | 504 | 0 | 504 |
| FTE Enrollment | 0 | 0 | 0 | 0 | 0 |
| State | 24,367,100 | 25,276,400 | 23,006,000 | 0 | 23,006,000 |
| Federal | 8,725,800 | 8,192,200 | 8,192,200 | 0 | 8,192,200 |
| Other | 838,800 | 633,300 | 633,300 | 0 | 633,300 |
| Tuition/Fees | 0 | 0 | 0 | 0 | 0 |
| Total | \$33,931,700 | \$34,101,900 | \$31,831,500 | \$0 | \$31,831,500 |

332.28 UT Veterinary Medicine

| | | | | | |
|------------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | | | | | |
| Administrative | 22 | 44 | 44 | 0 | 44 |
| Faculty | 80 | 80 | 80 | 0 | 80 |
| Clerical/Support | 142 | 137 | 137 | 0 | 137 |
| Total | 244 | 261 | 261 | 0 | 261 |
| FTE Enrollment | 443 | 451 | 451 | 0 | 451 |
| State | 13,153,400 | 13,998,300 | 12,738,400 | 0 | 12,738,400 |
| Federal | 598,100 | 510,000 | 510,000 | 0 | 510,000 |
| Other | 5,743,500 | 5,464,200 | 5,464,200 | 0 | 5,464,200 |
| Tuition/Fees | 2,459,600 | 3,047,400 | 3,047,400 | 0 | 3,047,400 |
| Total | \$21,954,600 | \$23,019,900 | \$21,760,000 | \$0 | \$21,760,000 |

Medical Education Units

The medical education program of the University of Tennessee plays an important role in helping to meet the state's health care needs. With the goal of providing high-quality health care to all geographic regions of the state, the medical education program trains physicians and other health care professionals.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 332.30 UT Memphis | | | | | |
| Full-Time | | | | | |
| Administrative | 245 | 231 | 231 | 0 | 231 |
| Faculty | 181 | 177 | 177 | 0 | 177 |
| Clerical/Support | 546 | 525 | 525 | 0 | 525 |
| Total | 972 | 933 | 933 | 0 | 933 |
| FTE Enrollment | 1,949 | 1,977 | 1,977 | 0 | 1,977 |
| State | 55,717,100 | 59,740,400 | 54,359,000 | 0 | 54,359,000 |
| Federal | 10,581,100 | 7,690,400 | 7,690,400 | 0 | 7,690,400 |
| Other | 13,362,600 | 12,674,500 | 12,674,500 | 0 | 12,674,500 |
| Tuition/Fees | 10,539,000 | 12,420,000 | 12,420,000 | 0 | 12,420,000 |
| Total | \$90,199,800 | \$92,525,300 | \$87,143,900 | \$0 | \$87,143,900 |

332.32 UT Family Medicine

| | | | | | |
|------------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | | | | | |
| Administrative | 23 | 25 | 25 | 0 | 25 |
| Faculty | 37 | 43 | 43 | 0 | 43 |
| Clerical/Support | 161 | 161 | 161 | 0 | 161 |
| Total | 221 | 229 | 229 | 0 | 229 |
| FTE Enrollment | 0 | 0 | 0 | 0 | 0 |
| State | 6,011,000 | 6,523,800 | 5,936,600 | 0 | 5,936,600 |
| Federal | 2,172,500 | 2,728,500 | 2,728,500 | 0 | 2,728,500 |
| Other | 15,306,400 | 15,200,500 | 15,200,500 | 0 | 15,200,500 |
| Tuition/Fees | 0 | 0 | 0 | 0 | 0 |
| Total | \$23,489,900 | \$24,452,800 | \$23,865,600 | \$0 | \$23,865,600 |

332.34 UT College of Medicine

| | | | | | |
|------------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | | | | | |
| Administrative | 86 | 142 | 142 | 0 | 142 |
| Faculty | 529 | 533 | 533 | 0 | 533 |
| Clerical/Support | 212 | 242 | 242 | 0 | 242 |
| Total | 827 | 917 | 917 | 0 | 917 |
| FTE Enrollment | 0 | 0 | 0 | 0 | 0 |
| State | 40,499,000 | 43,135,200 | 39,247,400 | 0 | 39,247,400 |
| Federal | 16,959,000 | 17,208,900 | 17,208,900 | 0 | 17,208,900 |
| Other | 13,463,800 | 11,339,500 | 11,339,500 | 0 | 11,339,500 |
| Tuition/Fees | 10,862,400 | 12,990,500 | 12,990,500 | 0 | 12,990,500 |
| Total | \$81,784,200 | \$84,674,100 | \$80,786,300 | \$0 | \$80,786,300 |

University and Research Campuses

The University of Tennessee provides comprehensive undergraduate and graduate study at each of its three major campuses. These campuses provide services to citizens in all areas of the state through education, research, and public service activities.

The University of Tennessee Space Institute provides graduate study and research in aerospace engineering and related fields. The institute also provides assistance to private companies involved in aerospace engineering.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|----------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 332.23 UT Space Institute | | | | | |
| Full-Time | | | | | |
| Administrative | 30 | 33 | 33 | 0 | 33 |
| Faculty | 41 | 41 | 41 | 0 | 41 |
| Clerical/Support | 44 | 47 | 47 | 0 | 47 |
| Total | 115 | 121 | 121 | 0 | 121 |
| FTE Enrollment | 86 | 70 | 70 | 0 | 70 |
| State | 7,355,600 | 7,558,100 | 6,877,600 | 0 | 6,877,600 |
| Federal | 547,000 | 600,000 | 600,000 | 0 | 600,000 |
| Other | 359,100 | 400,500 | 400,500 | 0 | 400,500 |
| Tuition/Fees | 1,233,000 | 1,349,000 | 1,349,000 | 0 | 1,349,000 |
| Total | \$9,494,700 | \$9,907,600 | \$9,227,100 | \$0 | \$9,227,100 |
| 332.40 UT Chattanooga | | | | | |
| Full-Time | | | | | |
| Administrative | 200 | 219 | 219 | 0 | 219 |
| Faculty | 323 | 340 | 340 | 0 | 340 |
| Clerical/Support | 318 | 318 | 318 | 0 | 318 |
| Total | 841 | 877 | 877 | 0 | 877 |
| FTE Enrollment | 6,955 | 7,050 | 7,050 | 0 | 7,050 |
| State | 39,020,600 | 40,274,600 | 36,654,600 | 0 | 36,654,600 |
| Federal | 369,900 | 160,000 | 160,000 | 0 | 160,000 |
| Other | 9,620,900 | 10,050,600 | 10,050,600 | 0 | 10,050,600 |
| Tuition/Fees | 29,415,500 | 31,034,400 | 31,034,400 | 0 | 31,034,400 |
| Total | \$78,426,900 | \$81,519,600 | \$77,899,600 | \$0 | \$77,899,600 |
| 332.42 UT Knoxville | | | | | |
| Full-Time | | | | | |
| Administrative | 688 | 741 | 741 | 0 | 741 |
| Faculty | 1,195 | 1,267 | 1,267 | 0 | 1,267 |
| Clerical/Support | 1,511 | 1,534 | 1,534 | 0 | 1,534 |
| Total | 3,394 | 3,542 | 3,542 | 0 | 3,542 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|----------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| FTE Enrollment | 22,654 | 22,700 | 22,700 | 0 | 22,700 |
| State | 160,674,100 | 166,870,300 | 151,851,500 | 0 | 151,851,500 |
| Federal | 8,609,900 | 7,730,000 | 7,730,000 | 0 | 7,730,000 |
| Other | 125,360,200 | 125,901,700 | 125,901,700 | 0 | 125,901,700 |
| Tuition/Fees | 141,302,900 | 145,904,300 | 145,904,300 | 0 | 145,904,300 |
| Total | \$435,947,100 | \$446,406,300 | \$431,387,500 | \$0 | \$431,387,500 |

332.44 UT Martin

| | | | | | |
|------------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | | | | | |
| Administrative | 116 | 116 | 116 | 0 | 116 |
| Faculty | 269 | 267 | 267 | 0 | 267 |
| Clerical/Support | 245 | 260 | 260 | 0 | 260 |
| Total | 630 | 643 | 643 | 0 | 643 |
| FTE Enrollment | 5,379 | 5,311 | 5,311 | 0 | 5,311 |
| State | 27,208,000 | 28,521,700 | 25,958,900 | 0 | 25,958,900 |
| Federal | 96,600 | 79,500 | 79,500 | 0 | 79,500 |
| Other | 11,140,100 | 9,631,400 | 9,631,400 | 0 | 9,631,400 |
| Tuition/Fees | 21,187,900 | 22,341,700 | 22,341,700 | 0 | 22,341,700 |
| Total | \$59,632,600 | \$60,574,300 | \$58,011,500 | \$0 | \$58,011,500 |

Total University of Tennessee System

| | | | | | |
|------------------|----------------------|----------------------|----------------------|------------|----------------------|
| Full-Time | | | | | |
| Administrative | 2,125 | 2,199 | 2,199 | 0 | 2,199 |
| Faculty | 2,814 | 2,896 | 2,896 | 0 | 2,896 |
| Clerical/Support | 3,822 | 3,818 | 3,818 | 0 | 3,818 |
| Total | 8,761 | 8,913 | 8,913 | 0 | 8,913 |
| FTE Enrollment | 37,466 | 37,559 | 37,559 | 0 | 37,559 |
| State | 405,279,200 | 424,257,300 | 386,082,700 | 0 | 386,082,700 |
| Federal | 54,703,300 | 50,778,900 | 50,778,900 | 0 | 50,778,900 |
| Other | 222,797,100 | 215,467,400 | 215,467,400 | 0 | 215,467,400 |
| Tuition/Fees | 217,000,300 | 229,087,300 | 229,087,300 | 0 | 229,087,300 |
| Total | \$899,779,900 | \$919,590,900 | \$881,416,300 | \$0 | \$881,416,300 |

State University and Community College System

The State University and Community College System consists of four-year universities, two-year community colleges, technical institutes, and technology centers which serve the citizens of Tennessee through teaching, research, and public service. The system is governed by the Tennessee Board of Regents. Planning, coordination, and review functions are the responsibility of the administrative staff of the Board of Regents.

Note: Position counts shown below are for full-time, unrestricted education and general employees only. Full-time equivalent (FTE) enrollments are for Fall 2001 and 2002. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from education and general sources and from auxiliary enterprise sources.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 332.60 Tennessee Board of Regents | | | | | |
| Full-Time | | | | | |
| Administrative | 61 | 62 | 62 | 0 | 62 |
| Faculty | 0 | 0 | 0 | 0 | 0 |
| Clerical/Support | 24 | 22 | 22 | 0 | 22 |
| Total | 85 | 84 | 84 | 0 | 84 |
| FTE Enrollment | 0 | 0 | 0 | 0 | 0 |
| State | 3,799,300 | 3,957,900 | 3,601,600 | 0 | 3,601,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 3,407,300 | 3,979,800 | 3,979,800 | 0 | 3,979,800 |
| Tuition/Fees | 0 | 0 | 0 | 0 | 0 |
| Total | \$7,206,600 | \$7,937,700 | \$7,581,400 | \$0 | \$7,581,400 |

Agricultural Unit

The TSU McMinnville Center is dedicated solely to nursery crop research and it is the only one of its kind in the nation. The center's mission is to provide leadership in strengthening and expanding the regional nursery industry through research in the areas of pathology, entomology, genetics, horticulture, and related sciences. The center is administered by Tennessee State University.

332.62 TSU McMinnville Center

| | | | | | |
|------------------|------------------|------------------|------------------|------------|------------------|
| Full-Time | | | | | |
| Administrative | 5 | 3 | 3 | 0 | 3 |
| Faculty | 0 | 1 | 1 | 0 | 1 |
| Clerical/Support | 1 | 1 | 1 | 0 | 1 |
| Total | 6 | 5 | 5 | 0 | 5 |
| FTE Enrollment | 0 | 0 | 0 | 0 | 0 |
| State | 470,500 | 480,300 | 437,000 | 0 | 437,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| Tuition/Fees | 0 | 0 | 0 | 0 | 0 |
| Total | \$470,500 | \$480,300 | \$437,000 | \$0 | \$437,000 |

Medical Education Units

To help meet the health needs of the citizens of eastern Tennessee, the East Tennessee State University (ETSU) Quillen College of Medicine provides medical study and training for students who wish to become physicians or other health-care professionals. Through family medicine residency programs, the college encourages its students to enter into family health practice in the rural communities of East Tennessee.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 332.65 ETSU College of Medicine | | | | | |
| Full-Time | | | | | |
| Administrative | 84 | 86 | 86 | 0 | 86 |
| Faculty | 159 | 175 | 175 | 0 | 175 |
| Clerical/Support | 116 | 120 | 120 | 0 | 120 |
| Total | 359 | 381 | 381 | 0 | 381 |
| FTE Enrollment | 236 | 233 | 233 | 0 | 233 |
| State | 23,274,300 | 24,617,600 | 22,401,600 | 0 | 22,401,600 |
| Federal | 614,200 | 600,000 | 600,000 | 0 | 600,000 |
| Other | 8,077,400 | 8,372,800 | 8,372,800 | 0 | 8,372,800 |
| Tuition/Fees | 3,636,100 | 4,003,000 | 4,003,000 | 0 | 4,003,000 |
| Total | \$35,602,000 | \$37,593,400 | \$35,377,400 | \$0 | \$35,377,400 |

332.67 ETSU Family Practice

| | | | | | |
|------------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | | | | | |
| Administrative | 21 | 23 | 23 | 0 | 23 |
| Faculty | 26 | 24 | 24 | 0 | 24 |
| Clerical/Support | 69 | 68 | 68 | 0 | 68 |
| Total | 116 | 115 | 115 | 0 | 115 |
| FTE Enrollment | 0 | 0 | 0 | 0 | 0 |
| State | 4,065,000 | 4,356,200 | 3,964,100 | 0 | 3,964,100 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 7,382,500 | 6,591,700 | 6,591,700 | 0 | 6,591,700 |
| Tuition/Fees | 0 | 0 | 0 | 0 | 0 |
| Total | \$11,447,500 | \$10,947,900 | \$10,555,800 | \$0 | \$10,555,800 |

Universities

The universities of the State University and Community College System offer undergraduate and graduate study to the citizens of Tennessee. Located throughout the state, the universities offer comprehensive programs in subjects as diverse as occupational training, the arts and sciences, law, and health sciences.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|

332.70 Austin Peay State University

| | | | | | |
|------------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | | | | | |
| Administrative | 150 | 149 | 149 | 0 | 149 |
| Faculty | 282 | 282 | 282 | 0 | 282 |
| Clerical/Support | 274 | 276 | 276 | 0 | 276 |
| Total | 706 | 707 | 707 | 0 | 707 |
| FTE Enrollment | 5,769 | 6,079 | 6,079 | 0 | 6,079 |
| State | 29,653,800 | 31,288,800 | 28,472,300 | 0 | 28,472,300 |
| Federal | 178,800 | 150,000 | 150,000 | 0 | 150,000 |
| Other | 7,013,500 | 4,399,300 | 4,399,300 | 0 | 4,399,300 |
| Tuition/Fees | 22,129,900 | 23,929,500 | 23,929,500 | 0 | 23,929,500 |
| Total | \$58,976,000 | \$59,767,600 | \$56,951,100 | \$0 | \$56,951,100 |

332.72 East Tennessee State University

| | | | | | |
|------------------|----------------------|----------------------|----------------------|------------|----------------------|
| Full-Time | | | | | |
| Administrative | 308 | 319 | 319 | 0 | 319 |
| Faculty | 492 | 499 | 499 | 0 | 499 |
| Clerical/Support | 530 | 530 | 530 | 0 | 530 |
| Total | 1,330 | 1,348 | 1,348 | 0 | 1,348 |
| FTE Enrollment | 9,271 | 9,198 | 9,198 | 0 | 9,198 |
| State | 51,002,200 | 54,127,600 | 49,255,300 | 0 | 49,255,300 |
| Federal | 417,000 | 330,000 | 330,000 | 0 | 330,000 |
| Other | 13,581,400 | 14,057,700 | 14,057,700 | 0 | 14,057,700 |
| Tuition/Fees | 39,064,800 | 41,430,400 | 41,430,400 | 0 | 41,430,400 |
| Total | \$104,065,400 | \$109,945,700 | \$105,073,400 | \$0 | \$105,073,400 |

332.74 University of Memphis

| | | | | | |
|------------------|----------------------|----------------------|----------------------|------------|----------------------|
| Full-Time | | | | | |
| Administrative | 623 | 607 | 607 | 0 | 607 |
| Faculty | 834 | 854 | 854 | 0 | 854 |
| Clerical/Support | 1,018 | 1,011 | 1,011 | 0 | 1,011 |
| Total | 2,475 | 2,472 | 2,472 | 0 | 2,472 |
| FTE Enrollment | 15,890 | 15,696 | 15,696 | 0 | 15,696 |
| State | 100,558,400 | 107,006,200 | 97,374,100 | 0 | 97,374,100 |
| Federal | 3,623,200 | 2,905,000 | 2,905,000 | 0 | 2,905,000 |
| Other | 40,591,400 | 39,045,100 | 39,045,100 | 0 | 39,045,100 |
| Tuition/Fees | 81,009,000 | 83,905,700 | 83,905,700 | 0 | 83,905,700 |
| Total | \$225,782,000 | \$232,862,000 | \$223,229,900 | \$0 | \$223,229,900 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 332.75 Middle Tennessee State University | | | | | |
| Full-Time | | | | | |
| Administrative | 394 | 410 | 410 | 0 | 410 |
| Faculty | 810 | 845 | 845 | 0 | 845 |
| Clerical/Support | 566 | 556 | 556 | 0 | 556 |
| Total | 1,770 | 1,811 | 1,811 | 0 | 1,811 |
| FTE Enrollment | 17,125 | 18,151 | 18,151 | 0 | 18,151 |
| State | 78,302,100 | 85,686,500 | 77,973,300 | 0 | 77,973,300 |
| Federal | 398,200 | 400,000 | 400,000 | 0 | 400,000 |
| Other | 28,939,300 | 30,815,600 | 30,815,600 | 0 | 30,815,600 |
| Tuition/Fees | 68,693,300 | 74,719,000 | 74,719,000 | 0 | 74,719,000 |
| Total | \$176,332,900 | \$191,621,100 | \$183,907,900 | \$0 | \$183,907,900 |

332.77 Tennessee State University

| | | | | | |
|------------------|----------------------|----------------------|---------------------|------------|---------------------|
| Full-Time | | | | | |
| Administrative | 274 | 284 | 284 | 0 | 284 |
| Faculty | 404 | 395 | 395 | 0 | 395 |
| Clerical/Support | 327 | 327 | 327 | 0 | 327 |
| Total | 1,005 | 1,006 | 1,006 | 0 | 1,006 |
| FTE Enrollment | 7,425 | 7,703 | 7,703 | 0 | 7,703 |
| State | 37,208,500 | 38,513,900 | 35,047,000 | 0 | 35,047,000 |
| Federal | 2,200,000 | 1,480,000 | 1,480,000 | 0 | 1,480,000 |
| Other | 15,554,200 | 16,080,300 | 16,080,300 | 0 | 16,080,300 |
| Tuition/Fees | 45,119,000 | 46,312,000 | 46,312,000 | 0 | 46,312,000 |
| Total | \$100,081,700 | \$102,386,200 | \$98,919,300 | \$0 | \$98,919,300 |

332.78 Tennessee Technological University

| | | | | | |
|------------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | | | | | |
| Administrative | 204 | 213 | 213 | 0 | 213 |
| Faculty | 380 | 383 | 383 | 0 | 383 |
| Clerical/Support | 377 | 374 | 374 | 0 | 374 |
| Total | 961 | 970 | 970 | 0 | 970 |
| FTE Enrollment | 7,327 | 7,554 | 7,554 | 0 | 7,554 |
| State | 41,124,600 | 43,029,200 | 39,155,400 | 0 | 39,155,400 |
| Federal | 621,700 | 466,500 | 466,500 | 0 | 466,500 |
| Other | 13,134,300 | 13,949,900 | 13,949,900 | 0 | 13,949,900 |
| Tuition/Fees | 27,554,600 | 30,814,600 | 30,814,600 | 0 | 30,814,600 |
| Total | \$82,435,200 | \$88,260,200 | \$84,386,400 | \$0 | \$84,386,400 |

Community Colleges and Technical Institutes

The state's community colleges provide two-year academic instruction in a wide variety of programs that can be transferred to four-year institutions. Technical institutes provide students with the necessary training to obtain jobs in various technical fields. The technical community colleges combine both of these opportunities on the same campus. The system includes one technical institute, three technical community colleges, and nine community colleges.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 332.53 Southwest Tennessee Community College | | | | | |
| Full-Time | | | | | |
| Administrative | 174 | 177 | 177 | 0 | 177 |
| Faculty | 275 | 278 | 278 | 0 | 278 |
| Clerical/Support | 258 | 254 | 254 | 0 | 254 |
| Total | 707 | 709 | 709 | 0 | 709 |
| FTE Enrollment | 7,743 | 7,141 | 7,141 | 0 | 7,141 |
| State | 35,333,800 | 36,410,000 | 33,132,500 | 0 | 33,132,500 |
| Federal | 25,900 | 0 | 0 | 0 | 0 |
| Other | 2,670,600 | 2,543,700 | 2,543,700 | 0 | 2,543,700 |
| Tuition/Fees | 19,021,500 | 18,073,100 | 18,073,100 | 0 | 18,073,100 |
| Total | \$57,051,800 | \$57,026,800 | \$53,749,300 | \$0 | \$53,749,300 |

332.54 Nashville State Technical Community College

| | | | | | |
|------------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | | | | | |
| Administrative | 62 | 64 | 64 | 0 | 64 |
| Faculty | 142 | 141 | 141 | 0 | 141 |
| Clerical/Support | 111 | 118 | 118 | 0 | 118 |
| Total | 315 | 323 | 323 | 0 | 323 |
| FTE Enrollment | 3,631 | 3,757 | 3,757 | 0 | 3,757 |
| State | 12,601,000 | 13,565,300 | 12,340,500 | 0 | 12,340,500 |
| Federal | 177,100 | 112,600 | 112,600 | 0 | 112,600 |
| Other | 954,200 | 646,100 | 646,100 | 0 | 646,100 |
| Tuition/Fees | 8,295,900 | 8,888,600 | 8,888,600 | 0 | 8,888,600 |
| Total | \$22,028,200 | \$23,212,600 | \$21,987,800 | \$0 | \$21,987,800 |

332.55 Pellissippi State Technical Community College

| | | | | | |
|------------------|------------|------------|------------|----------|------------|
| Full-Time | | | | | |
| Administrative | 101 | 99 | 99 | 0 | 99 |
| Faculty | 187 | 187 | 187 | 0 | 187 |
| Clerical/Support | 159 | 156 | 156 | 0 | 156 |
| Total | 447 | 442 | 442 | 0 | 442 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|----------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| FTE Enrollment | 5,151 | 5,208 | 5,208 | 0 | 5,208 |
| State | 18,070,000 | 18,948,400 | 17,242,700 | 0 | 17,242,700 |
| Federal | 89,500 | 80,000 | 80,000 | 0 | 80,000 |
| Other | 1,151,600 | 788,900 | 788,900 | 0 | 788,900 |
| Tuition/Fees | 12,613,200 | 13,377,000 | 13,377,000 | 0 | 13,377,000 |
| Total | \$31,924,300 | \$33,194,300 | \$31,488,600 | \$0 | \$31,488,600 |

332.56 Northeast State Technical Community College

| | | | | | |
|------------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | | | | | |
| Administrative | 49 | 52 | 52 | 0 | 52 |
| Faculty | 96 | 99 | 99 | 0 | 99 |
| Clerical/Support | 101 | 103 | 103 | 0 | 103 |
| Total | 246 | 254 | 254 | 0 | 254 |
| FTE Enrollment | 2,879 | 2,968 | 2,968 | 0 | 2,968 |
| State | 9,757,500 | 10,978,600 | 9,990,300 | 0 | 9,990,300 |
| Federal | 42,200 | 47,500 | 47,500 | 0 | 47,500 |
| Other | 529,400 | 525,500 | 525,500 | 0 | 525,500 |
| Tuition/Fees | 6,027,400 | 6,374,900 | 6,374,900 | 0 | 6,374,900 |
| Total | \$16,356,500 | \$17,926,500 | \$16,938,200 | \$0 | \$16,938,200 |

332.80 Chattanooga State Technical Community College

| | | | | | |
|------------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | | | | | |
| Administrative | 122 | 127 | 127 | 0 | 127 |
| Faculty | 175 | 179 | 179 | 0 | 179 |
| Clerical/Support | 148 | 148 | 148 | 0 | 148 |
| Total | 445 | 454 | 454 | 0 | 454 |
| FTE Enrollment | 5,269 | 5,264 | 5,264 | 0 | 5,264 |
| State | 21,302,200 | 21,985,900 | 20,006,800 | 0 | 20,006,800 |
| Federal | 23,000 | 12,000 | 12,000 | 0 | 12,000 |
| Other | 1,544,000 | 1,357,500 | 1,357,500 | 0 | 1,357,500 |
| Tuition/Fees | 12,379,900 | 12,924,100 | 12,924,100 | 0 | 12,924,100 |
| Total | \$35,249,100 | \$36,279,500 | \$34,300,400 | \$0 | \$34,300,400 |

332.81 Cleveland State Community College

| | | | | | |
|------------------|------------|------------|------------|----------|------------|
| Full-Time | | | | | |
| Administrative | 44 | 44 | 44 | 0 | 44 |
| Faculty | 80 | 75 | 75 | 0 | 75 |
| Clerical/Support | 76 | 77 | 77 | 0 | 77 |
| Total | 200 | 196 | 196 | 0 | 196 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|----------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| FTE Enrollment | 2,318 | 2,200 | 2,200 | 0 | 2,200 |
| State | 9,315,100 | 9,603,300 | 8,738,800 | 0 | 8,738,800 |
| Federal | 12,000 | 8,000 | 8,000 | 0 | 8,000 |
| Other | 380,900 | 310,300 | 310,300 | 0 | 310,300 |
| Tuition/Fees | 4,258,700 | 4,434,500 | 4,434,500 | 0 | 4,434,500 |
| Total | \$13,966,700 | \$14,356,100 | \$13,491,600 | \$0 | \$13,491,600 |

332.82 Columbia State Community College

| | | | | | |
|------------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | | | | | |
| Administrative | 44 | 41 | 41 | 0 | 41 |
| Faculty | 105 | 104 | 104 | 0 | 104 |
| Clerical/Support | 99 | 95 | 95 | 0 | 95 |
| Total | 248 | 240 | 240 | 0 | 240 |
| FTE Enrollment | 2,984 | 3,108 | 3,108 | 0 | 3,108 |
| State | 11,320,400 | 11,926,900 | 10,857,000 | 0 | 10,857,000 |
| Federal | 188,900 | 175,000 | 175,000 | 0 | 175,000 |
| Other | 470,600 | 351,100 | 351,100 | 0 | 351,100 |
| Tuition/Fees | 6,301,100 | 6,734,000 | 6,734,000 | 0 | 6,734,000 |
| Total | \$18,281,000 | \$19,187,000 | \$18,117,100 | \$0 | \$18,117,100 |

332.84 Dyersburg State Community College

| | | | | | |
|------------------|--------------------|---------------------|--------------------|------------|--------------------|
| Full-Time | | | | | |
| Administrative | 33 | 35 | 35 | 0 | 35 |
| Faculty | 56 | 56 | 56 | 0 | 56 |
| Clerical/Support | 49 | 47 | 47 | 0 | 47 |
| Total | 138 | 138 | 138 | 0 | 138 |
| FTE Enrollment | 1,577 | 1,657 | 1,657 | 0 | 1,657 |
| State | 5,999,500 | 6,353,200 | 5,781,300 | 0 | 5,781,300 |
| Federal | 151,900 | 141,000 | 141,000 | 0 | 141,000 |
| Other | 268,100 | 274,900 | 274,900 | 0 | 274,900 |
| Tuition/Fees | 3,342,300 | 3,551,000 | 3,551,000 | 0 | 3,551,000 |
| Total | \$9,761,800 | \$10,320,100 | \$9,748,200 | \$0 | \$9,748,200 |

332.86 Jackson State Community College

| | | | | | |
|------------------|------------|------------|------------|----------|------------|
| Full-Time | | | | | |
| Administrative | 48 | 48 | 48 | 0 | 48 |
| Faculty | 108 | 111 | 111 | 0 | 111 |
| Clerical/Support | 98 | 98 | 98 | 0 | 98 |
| Total | 254 | 257 | 257 | 0 | 257 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|----------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| FTE Enrollment | 2,658 | 2,713 | 2,713 | 0 | 2,713 |
| State | 10,513,600 | 11,222,800 | 10,212,600 | 0 | 10,212,600 |
| Federal | 104,300 | 169,100 | 169,100 | 0 | 169,100 |
| Other | 696,400 | 823,300 | 823,300 | 0 | 823,300 |
| Tuition/Fees | 5,972,500 | 6,098,000 | 6,098,000 | 0 | 6,098,000 |
| Total | \$17,286,800 | \$18,313,200 | \$17,303,000 | \$0 | \$17,303,000 |

332.88 Motlow State Community College

| | | | | | |
|------------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | | | | | |
| Administrative | 46 | 47 | 47 | 0 | 47 |
| Faculty | 86 | 85 | 85 | 0 | 85 |
| Clerical/Support | 72 | 73 | 73 | 0 | 73 |
| Total | 204 | 205 | 205 | 0 | 205 |
| FTE Enrollment | 2,441 | 2,556 | 2,556 | 0 | 2,556 |
| State | 8,549,600 | 9,285,900 | 8,450,000 | 0 | 8,450,000 |
| Federal | 14,600 | 15,000 | 15,000 | 0 | 15,000 |
| Other | 315,300 | 274,100 | 274,100 | 0 | 274,100 |
| Tuition/Fees | 4,895,500 | 5,419,500 | 5,419,500 | 0 | 5,419,500 |
| Total | \$13,775,000 | \$14,994,500 | \$14,158,600 | \$0 | \$14,158,600 |

332.90 Roane State Community College

| | | | | | |
|------------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | | | | | |
| Administrative | 65 | 65 | 65 | 0 | 65 |
| Faculty | 142 | 142 | 142 | 0 | 142 |
| Clerical/Support | 135 | 139 | 139 | 0 | 139 |
| Total | 342 | 346 | 346 | 0 | 346 |
| FTE Enrollment | 3,647 | 3,767 | 3,767 | 0 | 3,767 |
| State | 15,924,400 | 16,565,800 | 15,074,600 | 0 | 15,074,600 |
| Federal | 137,200 | 121,000 | 121,000 | 0 | 121,000 |
| Other | 810,200 | 814,700 | 814,700 | 0 | 814,700 |
| Tuition/Fees | 7,642,100 | 8,587,000 | 8,587,000 | 0 | 8,587,000 |
| Total | \$24,513,900 | \$26,088,500 | \$24,597,300 | \$0 | \$24,597,300 |

332.94 Volunteer State Community College

| | | | | | |
|------------------|------------|------------|------------|----------|------------|
| Full-Time | | | | | |
| Administrative | 83 | 82 | 82 | 0 | 82 |
| Faculty | 144 | 142 | 142 | 0 | 142 |
| Clerical/Support | 117 | 122 | 122 | 0 | 122 |
| Total | 344 | 346 | 346 | 0 | 346 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|----------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| FTE Enrollment | 4,295 | 4,525 | 4,525 | 0 | 4,525 |
| State | 15,711,500 | 16,287,100 | 14,821,100 | 0 | 14,821,100 |
| Federal | 16,900 | 16,000 | 16,000 | 0 | 16,000 |
| Other | 3,106,300 | 721,900 | 721,900 | 0 | 721,900 |
| Tuition/Fees | 9,594,400 | 10,459,700 | 10,459,700 | 0 | 10,459,700 |
| Total | \$28,429,100 | \$27,484,700 | \$26,018,700 | \$0 | \$26,018,700 |

332.96 Walters State Community College

| | | | | | |
|------------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | | | | | |
| Administrative | 73 | 74 | 74 | 0 | 74 |
| Faculty | 131 | 131 | 131 | 0 | 131 |
| Clerical/Support | 145 | 144 | 144 | 0 | 144 |
| Total | 349 | 349 | 349 | 0 | 349 |
| FTE Enrollment | 3,909 | 3,867 | 3,867 | 0 | 3,867 |
| State | 15,598,700 | 16,528,900 | 15,041,100 | 0 | 15,041,100 |
| Federal | 226,500 | 175,000 | 175,000 | 0 | 175,000 |
| Other | 3,489,200 | 3,345,400 | 3,345,400 | 0 | 3,345,400 |
| Tuition/Fees | 7,746,700 | 8,119,500 | 8,119,500 | 0 | 8,119,500 |
| Total | \$27,061,100 | \$28,168,800 | \$26,681,000 | \$0 | \$26,681,000 |

Tennessee Technology Centers

The state's technology centers provide occupational training tailored to the specific needs of businesses and industries in the geographic regions they serve. Each school is associated with a two-year institution, allowing students greater flexibility in their educational choices. Students earn certificates for completion of incremental specialties within an occupational job title and diplomas for completion of occupational programs.

332.98 Tennessee Technology Centers

| | | | | | |
|------------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | | | | | |
| Administrative | 146 | 143 | 143 | 0 | 143 |
| Faculty | 504 | 507 | 507 | 0 | 507 |
| Clerical/Support | 170 | 165 | 165 | 0 | 165 |
| Total | 820 | 815 | 815 | 0 | 815 |
| FTE Enrollment | 9,304 | 10,240 | 10,240 | 0 | 10,240 |
| State | 40,944,500 | 44,347,200 | 40,355,300 | 0 | 40,355,300 |
| Federal | 206,900 | 238,700 | 238,700 | 0 | 238,700 |
| Other | 5,532,400 | 4,402,900 | 4,402,900 | 0 | 4,402,900 |
| Tuition/Fees | 10,275,600 | 10,624,700 | 10,624,700 | 0 | 10,624,700 |
| Total | \$56,959,400 | \$59,613,500 | \$55,621,600 | \$0 | \$55,621,600 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Total State University and Community College System | | | | | |
| Full-Time | | | | | |
| Administrative | 3,214 | 3,254 | 3,254 | 0 | 3,254 |
| Faculty | 5,618 | 5,695 | 5,695 | 0 | 5,695 |
| Clerical/Support | 5,040 | 5,024 | 5,024 | 0 | 5,024 |
| Total | 13,872 | 13,973 | 13,973 | 0 | 13,973 |
| FTE Enrollment | 120,849 | 123,585 | 123,585 | 0 | 123,585 |
| State | 600,400,500 | 637,073,500 | 579,726,300 | 0 | 579,726,300 |
| Federal | 9,470,000 | 7,642,400 | 7,642,400 | 0 | 7,642,400 |
| Other | 159,600,500 | 154,472,500 | 154,472,500 | 0 | 154,472,500 |
| Tuition/Fees | 405,573,500 | 428,779,800 | 428,779,800 | 0 | 428,779,800 |
| Total | \$1,175,044,500 | \$1,227,968,200 | \$1,170,621,000 | \$0 | \$1,170,621,000 |

Grand Total Higher Education

| | | | | | |
|------------------|------------------------|------------------------|------------------------|------------------|------------------------|
| Full-Time | | | | | |
| Administrative | 5,418 | 5,533 | 5,533 | 0 | 5,533 |
| Faculty | 8,432 | 8,591 | 8,591 | 0 | 8,591 |
| Clerical/Support | 8,862 | 8,842 | 8,842 | 0 | 8,842 |
| Part-Time | 1 | 1 | 1 | 0 | 1 |
| Total | 22,713 | 22,967 | 22,967 | 0 | 22,967 |
| FTE Enrollment | 158,315 | 161,144 | 161,144 | 0 | 161,144 |
| State | 1,095,823,400 | 1,153,988,100 | 1,045,660,900 | 500,000 | 1,046,160,900 |
| Federal | 134,293,000 | 141,955,900 | 141,941,700 | 0 | 141,941,700 |
| Other | 395,599,700 | 391,520,500 | 386,865,900 | 0 | 386,865,900 |
| Tuition/Fees | 622,573,800 | 657,867,100 | 657,867,100 | 0 | 657,867,100 |
| Total | \$2,248,289,900 | \$2,345,331,600 | \$2,232,335,600 | \$500,000 | \$2,232,835,600 |

Education

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|---|---------------------|------------------------|------------------------|
| Education | | | | |
| • Early Childhood | | | | |
| Increase school readiness | Number of third grade students scoring proficient that had a state pilot preschool experience | N/A | 2,700 | 1,080 |
| • Tobacco Prevention Program | | | | |
| Reduce tobacco use by students | Percentage of youth tobacco use grades 6-8 | 23.2% | 22.0% | 21.5% |
| • Basic Education Program | | | | |
| Ensure small class sizes for a more positive learning environment | Percentage of schools meeting class size requirements | 100% | 100% | 100% |
| Reduce student drop out rate | Drop out rate | 12.5% | 12.0% | 11.5% |
| Increase student promotion rate | Promotion rate | 97.1% | 97.5% | 98.0% |
| Increase students scoring proficient or above on grade 4 writing assessment | Percentage scoring proficient or above | 71.5% | 73.0% | 75.0% |
| Increase students scoring proficient or above on grade 7 writing assessment | Percentage of students scoring proficient or above | 81.8% | 82.5% | 83.0% |
| Increase students scoring proficient or above on grade 11 writing assessment | Percentage scoring proficient or above | 70.4% | 71.0% | 72.0% |
| Increase students scoring proficient or above in achievement in grade 5 reading | Percentage scoring proficient or above in reading | 37.0% | 42.0% | 47.0% |
| Increase students scoring proficient or above in achievement in grade 5 math | Percentage scoring proficient or above in math | 32.0% | 34.0% | 36.0% |
| Increase students scoring proficient or above in achievement in grade 8 reading | Percentage scoring proficient or above in reading | 37.0% | 42.0% | 47.0% |
| Increase students scoring proficient or above in achievement in grade 8 math | Percentage scoring proficient or above in math | 37.0% | 42.0% | 47.0% |
| Increase average ACT scores | Statewide ACT average | 20.0 | 21.0 | 22.0 |
| Increase schools meeting the SBE K-6 attendance rate (95%) | Percentage meeting goal | 72.0% | 77.0% | 82.0% |
| Increase schools meeting the SBE 7-12 attendance rate (95%) | Percentage meeting goal | 80.0% | 85.0% | 90.0% |
| Increase the percentage of low performing schools making adequate yearly progress | Percentage of schools identified as low performing making adequate yearly progress | N/A | 56% | 65% |

Education

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|-------------------|---------|---------------------|------------------------|------------------------|
|-------------------|---------|---------------------|------------------------|------------------------|

• Secondary Vocational Technical Education

| | | | | |
|--|--|-------|-------|-------|
| Increase post secondary placement | Placement in post secondary education, military or employment of vocational technical completers | 78.7% | 79.7% | 80.7% |
| Increase the number of vocational concentrators graduating from high school | Vocational concentrators graduating from high school | 84% | 84.5% | 85% |
| Increase the number of vocational technical concentrators graduating from high school | Vocational technical concentrators graduating from high school | 84% | 84.6% | 85% |
| Meet challenging state established academic and vocational technical skill proficiencies | Vocational technical concentrators who meet state established industry standards | 93.2% | 93.2% | 93.2% |

Higher Education - State Administered Programs

• Tennessee Pre-Professional Fellowship Program

| | | | | |
|---|--------------------|----|---|---|
| Assist in minority enrollment in health and law professions | Number of students | 60 | 0 | 0 |
|---|--------------------|----|---|---|

• Executive and Program Administration

| | | | | |
|--|---|--------------|--------------|--------------|
| Increase education success by increasing the proportion of TN adults with baccalaureate degrees | Percentage of TN adults attaining baccalaureate degrees | 19.6% | 20.0% | 20.5% |
| Increase educational excellence by reducing the gap in average faculty salaries | Gap in average teacher salaries | \$4,373 | \$3,412 | \$3,000 |
| Increase financial aid to \$68.5M to serve an additional estimated 10,500 students | State funding | \$40,900,000 | \$46,872,000 | \$42,651,000 |
| Increase student success by increasing graduation rates at public colleges and universities | Percentage of students graduating | 47% | 48% | 49% |
| Maintain 95% to 99.5% of creditable degree programs at 4-year colleges to insure program quality | Percentage of degree programs accredited | 99.5% | 99.5% | 99.5% |
| Provide career preparation by maintaining rates of professional licensure examinations | Percentage passing of professional licensure examinations | 85% | 85% | 85% |

• Veterans Affairs/State Approving Agency

| | | | | |
|---|--------------------------------------|-------|-------|-------|
| Identify and approve schools and businesses offering training to all eligible persons | Approved schools and apprenticeships | 244 | 255 | 265 |
| Evaluate and approve educational programs within the approved schools and businesses | Approved programs | 4,541 | 4,645 | 4,700 |

Education

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|---|---------------------|------------------------|------------------------|
| Make supervisory visits to at least 80% of the schools each year | Supervisory visits (decreased from 90% to 80% because of additional federal requirements) | 95% | 80% | 80% |
| Provide technical assistance to schools and businesses to veterans and other eligible persons | Number of contacts | 900 | 1,000 | 1,200 |
| Design and implement outreach programs | Number of programs | N/A | 3 | 5 |
| • Improving Teacher Quality Grants | | | | |
| Provide workshops for K-12 teachers and principals | Number of workshops | 23 | 23 | 23 |
| Provide training for K-12 teachers and principals | Workshop participants | 750 | 750 | 750 |
| Monitor 100% of training projects | Site visits | 100% | 100% | 100% |
| • Center of Excellence | | | | |
| Enhance research and economic development through the Board of Regents and UT Campuses | Number of centers | 26 | 26 | 26 |
| • Contract Education | | | | |
| Address special educational needs in the state | Number of students | 158 | 162 | 162 |
| • Minority Teacher Education Program | | | | |
| Assist in minority enrollment of at least 65 students | Number of students | 63 | 65 | 65 |
| Place at least 90% of graduating students in the teaching profession in Tennessee | Placement rate | 82% | 85% | 90% |
| • Centers of Emphasis | | | | |
| Enhance research and economic development | Number of centers | 15 | 15 | 15 |
| • Post-secondary Education Authorization Act of 1974 | | | | |
| Monitor, evaluate and approve/authorize proprietary and not-for-profit institutions | Number of approved/authorized institutions | 184 | 220 | 220 |
| Monitor, evaluate and authorize educational programs within propriety and not-for-profit inst. | Number of educational programs | 853 | 1,000 | 1,000 |
| Monitor 100% of authorized institutions | Percentage monitored | 100% | 100% | 100% |
| Issue requested transcripts to students from institutions that have closed | Number of transcripts requested and issued | 375 | 400 | 400 |

Education

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|-----------------------------|---------------------|------------------------|------------------------|
| • Tuition Wavier and Fee Discount Program | | | | |
| To provide education opportunities to state employees and their children and teachers' children | Number of students | 17,641 | 17,650 | 17,650 |
| • Workforce Investment Act (WIA) | | | | |
| To maintain eligible training provider list | Number of schools | 220 | 230 | 240 |
| To maintain the number of eligible training programs | Number of training programs | 2,825 | 2,850 | 2,900 |
| • Geier Desegregation Settlement | | | | |
| To be in compliance with annual court review completion an/or implementation of decreed benchmarks | Percentage in compliance | N/A | 100% | 100% |

Health and Social Services

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Health and Social Services

Recommended Budget, Fiscal Year 2003 – 2004

The agencies and departments of this functional group are concerned with the health and well-being of the citizens of Tennessee. The Health and Social Services functional area is comprised of the following commissions, departments, and agencies:

- Commission on Children and Youth
- Commission on Aging and Disability
- Health Services and Development Agency
- Council of Juvenile and Family Court Judges
- Department of Finance and Administration – TennCare Program
- Department of Mental Health and Developmental Disabilities
- Department of Finance and Administration – Mental Retardation Division
- Department of Health
- Department of Human Services
- Department of Children's Services.

A major responsibility of this functional group is the administration of programs for children that have been placed in the state's custody. These programs range from the provision of a structured environment for troubled youth to a safe home setting for foster care children. Services for children in state care are based on professional assessments of each child.

This functional group is also charged with ensuring quality treatment and habilitation services for the mentally ill and mentally retarded citizens of Tennessee. This includes institutional and community programs for the mentally ill and the developmentally disabled.

In addition to programs for special-needs citizens, general health care services are provided through local and regional health care facilities. These programs range from immunization of school children to ensuring quality care for the elderly.

Health care programs for the Medicaid eligible, certain uninsured, and medically eligible populations are also the responsibility of this functional group. These services are provided by TennCare, a comprehensive health care delivery system. The TennCare Partners program provides mental health and substance abuse services for TennCare enrollees.

These agencies are also charged with helping disadvantaged Tennesseans achieve or maintain self-sufficiency. Other assistance programs include food coupons to qualified applicants, protective services to abused and neglected children, and legal services to establish, enforce, and administer child support obligations for citizens.

Families First, a time-limited assistance program, emphasizes job skills development. Support services, such as child care and transportation, also are provided to Families First recipients. This is a temporary assistance program with lifetime eligibility limitations. Families First operates under a unique waiver approved under the federal Temporary Assistance for Needy Families program.

Improvement Highlights

TennCare

Included in the recommended budget is \$1.2 billion, including state matching funds of \$327.9 million, to fund improvements in the TennCare program. These improvements fund a recurring program adjustment as well as program growth. See Table 1 following the highlights for the details of the improvement items.

The recurring base adjustment is \$731.8 million, including \$206.1 million from state appropriations.

The recommended program growth improvement totals \$461.6 million, including \$121.7 million from state appropriations. The funding includes 5.2% medical and dental

inflation rates and a 4.5% behavioral health services inflation rate. The program growth improvements include \$397.6 million, with \$115.6 million from state appropriations, to fund inflationary growth in the pharmacy program.

TennCare also provides services to citizens with mental retardation. The budget recommends \$34 million, including \$12.5 million in state match, to maintain and expand the services to citizens with mental retardation.

TennCare provides services to elderly and disabled citizens. State appropriations of \$957,700 and total funding of \$2.7 million are included to maintain and expand waiver services to the elderly and disabled. TennCare also will assist the elderly by providing \$18.2 million, including \$6.5 million in state funds, to provide for increased Medicare cost sharing.

The TennCare budget also includes \$4.6 million, with \$1.6 million from state appropriations, to provide funding for administrative and treatment improvements for TennCare children in the custody of the Department of Children's Services.

Mental Health Programs

The recommended budget includes \$5.2 million, with \$3.7 million from state appropriations, and 101 full-time positions in order to eliminate the long-term overlap of two personnel in one authorized position. The positions are required to meet hospital staffing standards.

Mental Retardation Programs

The budget recommends \$45.2 million, including \$17 million of state appropriations, to improve services to the mentally retarded. Those amounts include \$28.3 million, of which \$9.9 million is from state appropriations, to provide services to 266 clients transitioning to community settings.

Also addressed in the budget is the disallowance of \$5.7 million in federal Medicaid funds at the Harold Jordan Forensic Center. This state-operated facility provides forensic evaluations and services to citizens with mental retardation.

The budget also includes \$534,800, including \$160,400 in state appropriations, to provide 11 additional positions to investigate allegations of abuse, neglect, or mistreatment of individuals with mental retardation. To further protect the well-being of citizens with mental retardation, the budget provides \$900,000 in state appropriations to fund 9 positions to respond to crisis situations.

The recommended budget includes \$9.8 million, including \$350,000 in state appropriations, and 228 full-time positions, in order to eliminate the long-term overlap of two personnel in one authorized position. These positions are required to meet staffing standards at the developmental centers and the central office.

Department of Health

Included in the recommended budget is an additional \$2.9 million, including \$1.7 million from the state appropriations, to improve services in the Department of Health. The recommended budget provides \$666,300, including \$193,600 from state appropriations, to comply with federal nursing home facility inspections standards. The recommended budget also includes funding for two public health nurse consultants to allow the department to certify renal dialysis clinics.

Additionally, the budget includes funding for eight positions to implement and maintain the statewide birth defects registry. The additional staff is needed to track birth defects in Tennessee and provide families of children with birth defects information on available public services. The birth defects registry will be supported by fees from vital records services.

The budget includes \$841,100 from state appropriations to comply with the law on hotel and restaurant inspection fees. This appropriation is from the dedicated fee source and, thus, is not a charge upon the general fund.

Department of Human Services

The recommended budget includes \$3.9 million, including \$1.3 million in state appropriations, and 46 positions to fund a two

year plan to transition the maintenance of the Tennessee Child Support Enforcement System from contract staff to state positions. The \$1.3 million appropriation will not be required after the two years.

The budget also includes \$1.9 million in federal funds and 56 full time positions to meet workload requirements in the Social Security Disability Insurance and Supplemental Security Income programs.

Department of Children's Services

Included in the recommended budget is an additional \$16.9 million, including state funds of \$10.5 million, to fund improvements for children's services. This includes \$861,600 from state appropriations to fully fund positions authorized in 2002-2003 that will reduce the supervisory ratio and to provide rate increases to foster parents, adoption assistance, and residential contract providers, as required by the Brian A lawsuit settlement.

An additional amount of \$11.2 million, including \$5.6 million in state appropriations, is included for the FY 2003-2004 Brian A lawsuit settlement requirements. The funding will continue to improve supervisor-to-case-

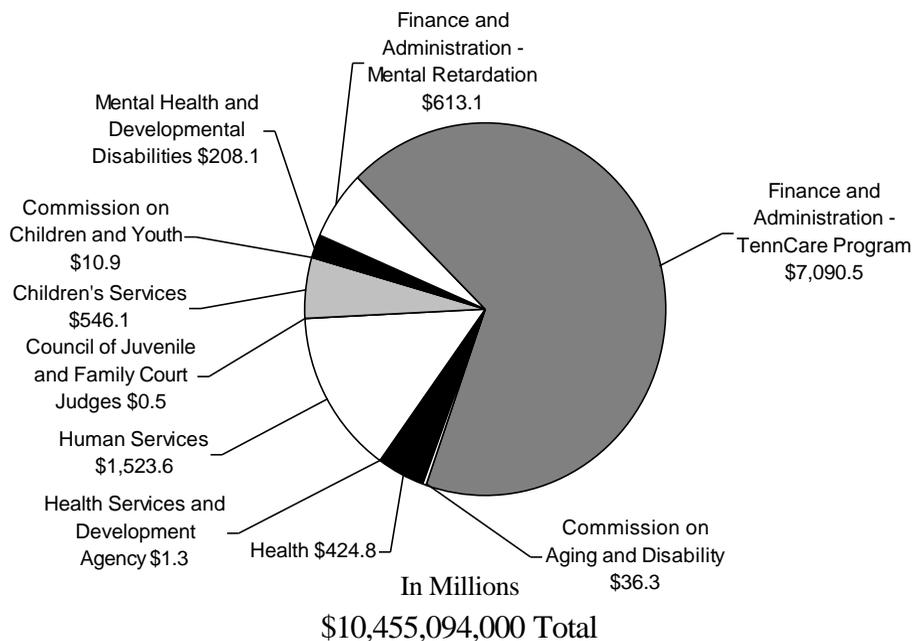
manager ratios and increase rates to foster parents, residential contract providers, and community service agencies. The improvement will also provide funding to meet the increase in adoption assistance caseloads and strengthen administrative support as required by the Brian A settlement.

The recommended budget also includes \$2.1 million, including \$2 million from state appropriations, to provide juvenile treatment programs at the youth development centers. The programs include sex offender treatment, drug and alcohol addiction treatment, violent offender treatment, dental treatment, and pharmacy services.

A secure juvenile justice facility for females is scheduled to be opened on the campus of Woodland Hills Youth Development Center during fiscal year 2003-2004. The recommended budget includes \$1.8 million in state appropriations to operate the facility. These funds will provide six months of staffing and three months of operational expenses.

Funds also are included for teacher training and experience salary adjustments at the youth development centers and state-operated community treatment facilities.

Health and Social Services FY 2003 - 2004 Recommended



Health and Social Services Total Personnel and Funding

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Recommended 2003-2004</u> |
|---------------------|-----------------------------|--------------------------------|----------------------------------|
| Personnel | | | |
| Full Time | 18,032 | 18,597 | 18,987 |
| Part Time | 214 | 209 | 206 |
| Seasonal | 0 | 0 | 0 |
| TOTAL | 18,246 | 18,806 | 19,193 |
| Expenditures | | | |
| Payroll | \$660,934,900 | \$745,093,000 | \$753,759,100 |
| Operational | 8,458,355,500 | 8,610,976,000 | 9,701,334,900 |
| TOTAL | \$9,119,290,400 | \$9,356,069,000 | \$10,455,094,000 |
| Funding | | | |
| State | \$2,556,124,000 | \$2,620,685,700 | \$2,943,723,700 |
| Federal | 5,321,027,900 | 5,469,360,000 | 6,091,027,800 |
| Other | 1,242,138,500 | 1,266,023,300 | 1,420,342,500 |

Table 1
TennCare Improvement
FY 2003-2004

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> |
|---|-----------------------|-----------------------|-----------------------|-------------------------|
| I. Recurring Program Adjustment | | | | |
| 1. Estimated fiscal year 2002-2003 additional expenditure projection | \$ 230,739,900 | \$ 482,764,700 | \$ 51,561,000 | \$ 765,065,600 |
| 2. Federal Funds Participation matching adjustment | (5,401,600) | 5,401,600 | 0 | 0 |
| 3. Increased Certified Public Expenditure | (7,513,100) | 7,513,100 | 0 | 0 |
| 4. Federal Requirement - ability to match 80% of premiums with federal funds | 1,213,000 | (1,213,000) | 0 | 0 |
| 5. Projected Enrollment Reduction from 1,351,590 to 1,323,024 | (14,936,500) | (25,098,100) | 0 | (40,034,600) |
| 6. Graduate Medical Education additional expenditure projection | 350,600 | 635,600 | 0 | 986,200 |
| 7. Mental Retardation External Quality Review requirement | 1,236,700 | 3,710,200 | 0 | 4,946,900 |
| 8. Early and Periodic Screening, Diagnosis and Treatment (EPSDT) contract | 425,000 | 425,000 | 0 | 850,000 |
| Sub-total Recurring Program Adjustment | \$ 206,114,000 | \$ 474,139,100 | \$ 51,561,000 | \$ 731,814,100 |
| II. Program Growth | | | | |
| 1. Federal Requirement - ability to match 60% of premiums with federal funds | \$ 4,945,500 | \$ (4,945,500) | \$ 0 | \$ 0 |
| 2. MCO Inflationary Adjustment (5.2%) - excludes Pharmacy | 43,494,200 | 72,906,800 | 0 | 116,401,000 |
| 3. BHO Inflationary Adjustment (4.5%) | 6,915,100 | 10,634,900 | 0 | 17,550,000 |
| 4. Dental Inflationary Adjustment (5.2%) | 1,752,300 | 3,176,600 | 0 | 4,928,900 |
| 5. Dual (16.5%) & BHO (25.4%) Pharmacy | 66,999,100 | 121,452,000 | 47,112,800 | 235,563,900 |
| 6. MCO Carve-out Pharmacy Inflation (30%) | 48,957,700 | 88,747,800 | 24,301,000 | 162,006,500 |
| 7. Pharmacy Reform | (78,471,200) | (146,311,700) | 74,782,900 | (150,000,000) |
| 8. Reimbursements for Federally Qualified Health Clinics and Rural Health Clinics | 720,500 | 1,306,000 | 0 | 2,026,500 |
| 9. Children in State Custody (Dept. of Children's Services) | 1,649,200 | 2,967,800 | 0 | 4,617,000 |
| 10. Level I and II Nursing Home reimbursement | 4,820,900 | 8,739,100 | 0 | 13,560,000 |
| 11. Mental Retardation Services - state and private facilities | 12,521,100 | 21,513,100 | 0 | 34,034,200 |
| 12. Elderly and Disabled Services | 957,700 | 1,736,000 | 0 | 2,693,700 |
| 13. Medicare Cost Sharing - Medicare Premium Increases | 6,482,500 | 11,751,100 | 0 | 18,233,600 |
| Sub-total Program Growth | \$ 121,744,600 | \$ 193,674,000 | \$ 146,196,700 | \$ 461,615,300 |
| Total Recommended Improvement | \$ 327,858,600 | \$ 667,813,100 | \$ 197,757,700 | \$ 1,193,429,400 |

Health and Social Services Improvements for Fiscal Year 2003-2004

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> | <u>Positions</u> |
|---|-----------------------------|-----------------------------|-----------------------------|-------------------------------|------------------|
| Finance and Administration - TennCare Program | | | | | |
| • Recurring Program Adjustment | | | | | |
| To provide funding for a recurring base program adjustment. | | | | | |
| 318.65 TennCare Administration | \$2,966,200 | \$14,064,800 | \$134,000 | \$17,165,000 | 0 |
| 318.66 TennCare Services | \$193,751,700 | \$438,498,700 | \$51,427,000 | \$683,677,400 | 0 |
| 318.67 Waiver and Crossover Services | \$2,272,800 | \$5,637,900 | \$0 | \$7,910,700 | 0 |
| 318.68 Long Term Care Services | \$7,123,300 | \$15,937,700 | \$0 | \$23,061,000 | 0 |
| Sub-total | <u>\$206,114,000</u> | <u>\$474,139,100</u> | <u>\$51,561,000</u> | <u>\$731,814,100</u> | <u>0</u> |
| • Program Growth | | | | | |
| To provide funding for program growth. | | | | | |
| 318.65 TennCare Administration | \$27,400 | \$27,600 | \$0 | \$55,000 | 0 |
| 318.66 TennCare Services | \$96,935,000 | \$149,907,100 | \$146,196,700 | \$393,038,800 | 0 |
| 318.67 Waiver and Crossover Services | \$16,455,600 | \$28,645,300 | \$0 | \$45,100,900 | 0 |
| 318.68 Long Term Care Services | \$8,326,600 | \$15,094,000 | \$0 | \$23,420,600 | 0 |
| Sub-total | <u>\$121,744,600</u> | <u>\$193,674,000</u> | <u>\$146,196,700</u> | <u>\$461,615,300</u> | <u>0</u> |
| Total Finance and Administration - TennCare Program | <u>\$327,858,600</u> | <u>\$667,813,100</u> | <u>\$197,757,700</u> | <u>\$1,193,429,400</u> | <u>0</u> |

Mental Health and Developmental Disabilities

| | | | | | |
|---|---------------------------|-------------------|---------------------------|---------------------------|-------------------|
| • Eliminate Overlaps | | | | | |
| To provide funding for additional positions in order to eliminate the long-term overlap of two personnel in one authorized position. This increases the overappropriation by an offsetting amount. The additional positions are required to meet staffing standards at the regional mental health institutes. | | | | | |
| 339.11 Middle Tennessee Mental Health Institute | \$1,173,800 | \$0 | \$0 | \$1,173,800 | 23 |
| 339.12 Western Mental Health Institute | \$133,600 | \$0 | \$693,100 | \$826,700 | 36 |
| 339.16 Moccasin Bend Mental Health Institute | \$524,400 | \$0 | \$849,300 | \$1,373,700 | 42 |
| 339.17 Memphis Mental Health Institute | \$1,843,200 | \$0 | \$0 | \$1,843,200 | 0 |
| Sub-total | <u>\$3,675,000</u> | <u>\$0</u> | <u>\$1,542,400</u> | <u>\$5,217,400</u> | <u>101</u> |
| Total Mental Health and Developmental Disabilities | <u>\$3,675,000</u> | <u>\$0</u> | <u>\$1,542,400</u> | <u>\$5,217,400</u> | <u>101</u> |

Health and Social Services Improvements for Fiscal Year 2003-2004

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> | <u>Positions</u> |
|---|--------------|----------------|--------------|--------------|------------------|
| Finance and Administration - Mental Retardation | | | | | |
| • Community Services | | | | | |
| To provide funding for community services to 266 individuals transitioning out of developmental centers, regional mental health institutes, and Children's Services Department programs. | | | | | |
| 339.23 Community Mental Retardation Services | \$9,895,400 | \$0 | \$18,365,000 | \$28,260,400 | 0 |
| Sub-total | \$9,895,400 | \$0 | \$18,365,000 | \$28,260,400 | 0 |
| • Crisis Teams | | | | | |
| To provide funding for three crisis teams, one in each Grand Division, to be dispatched to help in situations occurring in community placement settings. | | | | | |
| 339.25 West Tennessee Region | \$300,000 | \$0 | \$0 | \$300,000 | 3 |
| 339.26 Middle Tennessee Region | \$300,000 | \$0 | \$0 | \$300,000 | 3 |
| 339.27 East Tennessee Region | \$300,000 | \$0 | \$0 | \$300,000 | 3 |
| Sub-total | \$900,000 | \$0 | \$0 | \$900,000 | 9 |
| • Abuse and Neglect Investigation | | | | | |
| To provide funding for investigating allegations of abuse, neglect, or mistreatment of the individuals served in developmental centers and the community. | | | | | |
| 339.21 Mental Retardation Administration | \$160,400 | \$0 | \$374,400 | \$534,800 | 11 |
| Sub-total | \$160,400 | \$0 | \$374,400 | \$534,800 | 11 |
| • Forensic Services | | | | | |
| To provide funding to replace disallowed federal Medicaid funds at the state-operated Harold Jordan Forensic Center in Nashville. | | | | | |
| 339.26 Middle Tennessee Region | \$5,700,000 | \$0 | \$0 | \$5,700,000 | 0 |
| Sub-total | \$5,700,000 | \$0 | \$0 | \$5,700,000 | 0 |
| • Eliminate Overlaps | | | | | |
| To provide funding for additional positions in order to eliminate the long-term overlap of two personnel in one authorized position. This increases the overappropriation by an offsetting amount. The additional positions are required to meet staffing standards in the developmental centers and administrative support requirements in the central office. | | | | | |
| 339.21 Mental Retardation Administration | \$152,600 | \$0 | \$352,100 | \$504,700 | 10 |
| 339.25 West Tennessee Region | \$117,300 | \$0 | \$2,229,700 | \$2,347,000 | 52 |
| 339.26 Middle Tennessee Region | \$80,100 | \$0 | \$1,521,900 | \$1,602,000 | 41 |
| 339.27 East Tennessee Region | \$0 | \$0 | \$5,320,000 | \$5,320,000 | 125 |
| Sub-total | \$350,000 | \$0 | \$9,423,700 | \$9,773,700 | 228 |

Health and Social Services Improvements for Fiscal Year 2003-2004

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> | <u>Positions</u> |
|--|--------------|----------------|--------------|--------------|------------------|
| Total Finance and Administration - Mental Retardation | \$17,005,800 | \$0 | \$28,163,100 | \$45,168,900 | 248 |

Health

- **Facility Inspections**

To provide funding to comply with federal nursing home standards. This will provide for increased enforcement action, for the ten-day response standard for complaints which allege harm, and for response to increasing complaints by clients of health care facilities.

| | | | | | |
|---|-----------|-----------|-----|-----------|---|
| 343.05 Bureau of Health Licensure and Regulation | \$193,600 | \$472,700 | \$0 | \$666,300 | 0 |
|---|-----------|-----------|-----|-----------|---|

| | | | | | |
|------------------|-----------|-----------|-----|-----------|---|
| Sub-total | \$193,600 | \$472,700 | \$0 | \$666,300 | 0 |
|------------------|-----------|-----------|-----|-----------|---|

- **Renal Dialysis**

To provide funding for two public health nurse consultants for increased certification of renal dialysis clinics to ensure they meet the same standards as all other health care facilities. Acts of 2001, Public Chapter 438, mandated the licensing of renal dialysis clinics.

| | | | | | |
|---|-----------|-----|-----|-----------|---|
| 343.05 Bureau of Health Licensure and Regulation | \$114,100 | \$0 | \$0 | \$114,100 | 2 |
|---|-----------|-----|-----|-----------|---|

| | | | | | |
|------------------|-----------|-----|-----|-----------|---|
| Sub-total | \$114,100 | \$0 | \$0 | \$114,100 | 2 |
|------------------|-----------|-----|-----|-----------|---|

- **Birth Defects Registry**

To provide funding for eight positions to implement and maintain a statewide birth defects registry. The additional staff is needed to monitor and track birth defects, provide information on possible causes of birth defects, provide information on current prevention initiatives, and provide families with information on public services available. Fees from vital record services will fund this improvement.

| | | | | | |
|--|-----|-----|-----------|-----------|---|
| 343.20 Policy Planning and Assessment | \$0 | \$0 | \$601,100 | \$601,100 | 8 |
|--|-----|-----|-----------|-----------|---|

| | | | | | |
|------------------|-----|-----|-----------|-----------|---|
| Sub-total | \$0 | \$0 | \$601,100 | \$601,100 | 8 |
|------------------|-----|-----|-----------|-----------|---|

- **Hotel and Restaurant Inspection**

To provide funding to comply with the law on hotel and restaurant inspection fees. Acts of 2001, Public Chapter 311, increased the fees charged for restaurant, hotel, and motel inspections and changed the way these fees are deposited and disbursed. Previously, Davidson, Knox, Hamilton, Shelby, and Madison counties retained the majority of these inspection fees and sent 10 percent to the State. Public Chapter 311 requires the State to collect all fees and forward 95 percent to the five counties in 2003-2004. This improvement is the growth in the amount that must be forwarded to the five counties in 2003-2004. These funds come from dedicated fees for inspections.

| | | | | | |
|--|-----------|-----|-----|-----------|---|
| 343.39 General Environmental Health | \$841,100 | \$0 | \$0 | \$841,100 | 0 |
|--|-----------|-----|-----|-----------|---|

| | | | | | |
|------------------|-----------|-----|-----|-----------|---|
| Sub-total | \$841,100 | \$0 | \$0 | \$841,100 | 0 |
|------------------|-----------|-----|-----|-----------|---|

Health and Social Services Improvements for Fiscal Year 2003-2004

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> | <u>Positions</u> |
|---|--------------------|------------------|------------------|--------------------|------------------|
| • Regulatory Boards Information System | | | | | |
| To provide funding for a replacement information system for the health regulatory boards in order to track licensure and certification of approximately 200,000 professionals and facilities. The current system is ten years old. A new system is needed to take advantage of emerging web technology, better interface with the state's standards, improve efficiency, and better serve the public. Funding is an appropriation of dedicated health care professional licensure fees. | | | | | |
| 343.10 Health Related Boards | \$600,000 | \$0 | \$0 | \$600,000 | 0 |
| Sub-total | \$600,000 | \$0 | \$0 | \$600,000 | 0 |
| • Emergency Medical Services Licensing | | | | | |
| To provide funding for a licensing technician to support the licensure of more than 15,300 emergency medical service (EMS) personnel. The additional technician is needed to handle the increasing number of EMS licensees. Fees from EMS licensing activities will fund this improvement. | | | | | |
| 343.07 Emergency Medical Services | \$0 | \$0 | \$29,000 | \$29,000 | 1 |
| Sub-total | \$0 | \$0 | \$29,000 | \$29,000 | 1 |
| Total Health | \$1,748,800 | \$472,700 | \$630,100 | \$2,851,600 | 11 |

Human Services

| | | | | | |
|---|-------------|-------------|-----|-------------|----|
| • Child Support Enforcement System | | | | | |
| To fund 46 information systems positions to support the Tennessee Child Support Enforcement System (TCSES). These positions are required as part of a two-year plan to transition the support of TCSES from contract staff to state staff. State staff will be overlapped with contract staff. Contract staff have unique knowledge of TCSES and will provide training, transition planning and implementation for the state staff. After the two-year period, this additional appropriation will not be required. | | | | | |
| 345.01 Administration | \$1,334,500 | \$2,590,400 | \$0 | \$3,924,900 | 46 |
| Sub-total | \$1,334,500 | \$2,590,400 | \$0 | \$3,924,900 | 46 |
| • Disability Determination | | | | | |
| To provide funding for 56 disability determination examiners to meet federal workload requirements for processing applications for Social Security Disability Insurance and Supplemental Security Income programs. The number of pending claims has increased from 12,136 in 1998-1999 to an estimated 35,547 in 2002-2003. The additional staff is needed to address the backlog of cases and reduce caseloads to an acceptable level. Funding for this improvement comes from the Social Security Administration. | | | | | |
| 345.71 Disability Determination | \$0 | \$1,884,600 | \$0 | \$1,884,600 | 56 |
| Sub-total | \$0 | \$1,884,600 | \$0 | \$1,884,600 | 56 |

Health and Social Services Improvements for Fiscal Year 2003-2004

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> | <u>Positions</u> |
|---|--------------------|--------------------|--------------|--------------------|------------------|
| • Child Support - Assistant DAs Step Raises - Annualize 2002-2003 Raises | | | | | |
| To annualize funds appropriated in fiscal year 2002-2003 for assistant district attorneys' mandated step raises, required by TCA 8-7-201. These raises are funded each year from the month of eligibility for the step, and, thus, must be annualized in the succeeding year. | | | | | |
| 345.13 Child Support | \$8,300 | \$16,000 | \$0 | \$24,300 | 0 |
| Sub-total | \$8,300 | \$16,000 | \$0 | \$24,300 | 0 |
| Total Human Services | \$1,342,800 | \$4,491,000 | \$0 | \$5,833,800 | 102 |

Children's Services

| | | | | | |
|---|-------------|-------------|-------------|--------------|----|
| • Child Welfare Services | | | | | |
| To annualize fiscal year 2002-2003 funding to reduce the supervisor-to-caseworker ratio as required in the Brian A settlement and to provide rate increases to foster parents, adoptive parents, and residential contract providers. | | | | | |
| 359.30 Custody Services | \$426,000 | \$115,600 | \$127,700 | \$669,300 | 0 |
| 359.40 Adoption Services | \$96,800 | \$89,600 | \$0 | \$186,400 | 0 |
| 359.50 Child and Family Management | \$338,800 | \$44,300 | \$298,100 | \$681,200 | 0 |
| Sub-total | \$861,600 | \$249,500 | \$425,800 | \$1,536,900 | 0 |
| • Brian A Settlement | | | | | |
| To provide funding to reduce foster care and custody supervisor-to-caseworker ratios; increase rates to foster parents, residential contract providers, and community service agencies; meet the increase in adoption assistance caseloads; and strengthen administrative support as required by the Brian A lawsuit agreement. | | | | | |
| 359.10 Administration | \$395,500 | \$41,200 | \$140,200 | \$576,900 | 17 |
| 359.30 Custody Services | \$2,557,200 | \$449,700 | \$2,618,200 | \$5,625,100 | 0 |
| 359.40 Adoption Services | \$1,567,200 | \$988,000 | \$0 | \$2,555,200 | 0 |
| 359.50 Child and Family Management | \$1,030,700 | \$85,900 | \$1,336,300 | \$2,452,900 | 29 |
| Sub-total | \$5,550,600 | \$1,564,800 | \$4,094,700 | \$11,210,100 | 46 |

Health and Social Services Improvements for Fiscal Year 2003-2004

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> | <u>Positions</u> |
|--|--------------------|-----------------|-----------------|--------------------|------------------|
| • Juvenile Treatment | | | | | |
| To provide funding for juvenile treatment programs in the youth development centers. The programs include sex offender treatment, drug and alcohol addiction treatment, violent offender treatment, dental treatment, and pharmaceuticals. | | | | | |
| 359.20 Family Support Services | \$315,500 | \$0 | \$0 | \$315,500 | 0 |
| 359.50 Child and Family Management | \$109,700 | \$14,300 | \$96,500 | \$220,500 | 5 |
| 359.60 John S. Wilder Youth Development Center | \$426,200 | \$0 | \$0 | \$426,200 | 0 |
| 359.61 Taft Youth Development Center | \$333,400 | \$0 | \$0 | \$333,400 | 0 |
| 359.62 Woodland Hills Youth Development Center | \$430,000 | \$0 | \$0 | \$430,000 | 0 |
| 359.63 Mountain View Youth Development Center | \$350,000 | \$0 | \$0 | \$350,000 | 0 |
| 359.65 Community Treatment Facilities | \$0 | \$0 | \$0 | \$0 | 3 |
| Sub-total | <u>\$1,964,800</u> | <u>\$14,300</u> | <u>\$96,500</u> | <u>\$2,075,600</u> | <u>8</u> |
| • Secure Female Facility | | | | | |
| To provide funding for start-up costs, including six months of staffing and three months of operational expenses, for a new secure female facility on the Woodland Hills campus. | | | | | |
| 359.62 Woodland Hills Youth Development Center | \$1,808,200 | \$0 | \$0 | \$1,808,200 | 120 |
| Sub-total | <u>\$1,808,200</u> | <u>\$0</u> | <u>\$0</u> | <u>\$1,808,200</u> | <u>120</u> |
| • Education Materials | | | | | |
| To provide funding for required textbooks, software, and other essential materials for the youth development centers and community treatment facilities. | | | | | |
| 359.10 Administration | \$213,000 | \$0 | \$0 | \$213,000 | 0 |
| Sub-total | <u>\$213,000</u> | <u>\$0</u> | <u>\$0</u> | <u>\$213,000</u> | <u>0</u> |
| • Teacher Training and Experience | | | | | |
| To provide funds for projected growth in teacher training and experience. | | | | | |
| 359.60 John S. Wilder Youth Development Center | \$5,900 | \$0 | \$0 | \$5,900 | 0 |
| 359.61 Taft Youth Development Center | \$6,000 | \$0 | \$0 | \$6,000 | 0 |
| 359.62 Woodland Hills Youth Development Center | \$17,700 | \$0 | \$0 | \$17,700 | 0 |
| 359.63 Mountain View Youth Development Center | \$27,200 | \$0 | \$0 | \$27,200 | 0 |
| 359.65 Community Treatment Facilities | \$6,400 | \$0 | \$0 | \$6,400 | 0 |
| Sub-total | <u>\$63,200</u> | <u>\$0</u> | <u>\$0</u> | <u>\$63,200</u> | <u>0</u> |

**Health and Social Services
Improvements for Fiscal Year 2003-2004**

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> | <u>Positions</u> |
|---|---------------|----------------|---------------|-----------------|------------------|
| Total Children's Services | \$10,461,400 | \$1,828,600 | \$4,617,000 | \$16,907,000 | 174 |
| Total Health and Social Services | \$362,092,400 | \$674,605,400 | \$232,710,300 | \$1,269,408,100 | 636 |

Commission on Children and Youth

The Commission on Children and Youth works with state agencies, juvenile courts, child advocacy groups, interested citizens, and other organizations to improve services to children. The commission also administers the federal Juvenile Justice and Delinquency Prevention Act, the Juvenile Accountability Block Grant and other federal and state grant funds for juvenile justice programs. The commission members, central office staff, and district coordinators are engaged in the following activities:

- Improving the coordination of services for children
- Collecting and disseminating statistical and programmatic information
- Informing citizens and organizations of children's issues
- Tracking legislation and making recommendations to the Governor and Legislature
- Evaluating the delivery of services to children in state custody and their families through the Children's Program Outcome Review Team (CPORT).

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 316.01 Commission on Children and Youth | | | | | |
| Full-Time | 52 | 52 | 50 | 0 | 50 |
| Part-Time | 5 | 5 | 2 | 0 | 2 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 57 | 57 | 52 | 0 | 52 |
| Payroll | 2,030,800 | 2,324,700 | 2,218,400 | 0 | 2,218,400 |
| Operational | 6,800,600 | 8,728,100 | 8,681,800 | 0 | 8,681,800 |
| Total | \$8,831,400 | \$11,052,800 | \$10,900,200 | \$0 | \$10,900,200 |
| State | 1,422,900 | 1,695,300 | 1,542,700 | 0 | 1,542,700 |
| Federal | 5,222,100 | 6,900,900 | 6,900,900 | 0 | 6,900,900 |
| Other | 2,186,400 | 2,456,600 | 2,456,600 | 0 | 2,456,600 |

Commission on Aging and Disability

The Commission on Aging and Disability is responsible for networking aging Tennesseans and adults with disabilities needing in-home services with state, federal, and local programs. The commission performs the following activities:

- Administers the Older Americans Act of Tennessee
- Administers a Long Term Care Services Plan for the elderly and disabled
- Collects facts and statistics on the elderly, family caregivers, and adults with disabilities needing in-home services
- Publishes information on aging and adults with disabilities
- Makes recommendations on program improvements
- Assists in developing needed services.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 316.02 Commission on Aging and Disability | | | | | |
| Full-Time | 25 | 30 | 30 | 0 | 30 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 25 | 30 | 30 | 0 | 30 |
| Payroll | 936,800 | 1,492,200 | 1,492,200 | 0 | 1,492,200 |
| Operational | 30,428,400 | 38,228,500 | 34,846,700 | 0 | 34,846,700 |
| Total | \$31,365,200 | \$39,720,700 | \$36,338,900 | \$0 | \$36,338,900 |
| State | 9,402,500 | 9,526,500 | 8,669,100 | 0 | 8,669,100 |
| Federal | 21,951,800 | 28,089,200 | 25,564,800 | 0 | 25,564,800 |
| Other | 10,900 | 2,105,000 | 2,105,000 | 0 | 2,105,000 |

Health Services and Development Agency

The Health Services and Development Agency is responsible for regulating the health-care industry through the Certificate of Need program. The agency requires certification of need for the establishment or modification of health-care facilities and the reporting of financial and statistical data from these facilities. The agency also administers the State Health Planning and Advisory Board. This board is responsible for developing an annual health plan, which guides the development of health care programs and policies, and the allocation of health care resources.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|

316.07 Health Services and Development Agency

| | | | | | |
|--------------|------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 9 | 15 | 15 | 0 | 15 |
| Part-Time | 10 | 6 | 6 | 0 | 6 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 19 | 21 | 21 | 0 | 21 |
| Payroll | 350,800 | 808,500 | 808,500 | 0 | 808,500 |
| Operational | 222,600 | 461,300 | 461,300 | 0 | 461,300 |
| Total | \$573,400 | \$1,269,800 | \$1,269,800 | \$0 | \$1,269,800 |
| State | 559,700 | 1,257,400 | 1,257,400 | 0 | 1,257,400 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 13,700 | 12,400 | 12,400 | 0 | 12,400 |

Council of Juvenile and Family Court Judges

The Council of Juvenile and Family Court Judges provides staff services to two statewide organizations: the Tennessee Council of Juvenile and Family Court Judges and the Tennessee Juvenile Court Services Association. The council's activities include:

- Representing the views of the state's juvenile courts
- Providing assistance to juvenile courts concerning the impact of state and federal laws, regulations, and policies affecting children and families
- Keeping judges and court staff informed of legal issues and available services to children and families
- Developing criteria and providing training for juvenile court judges and staff regarding all issues affecting the children and families who are brought before the courts.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 316.10 Council of Juvenile and Family Court Judges | | | | | |
| Full-Time | 6 | 6 | 5 | 0 | 5 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 6 | 6 | 5 | 0 | 5 |
| Payroll | 353,500 | 399,500 | 324,800 | 0 | 324,800 |
| Operational | 200,500 | 164,300 | 136,900 | 0 | 136,900 |
| Total | \$554,000 | \$563,800 | \$461,700 | \$0 | \$461,700 |
| State | 346,700 | 457,900 | 416,700 | 0 | 416,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 207,300 | 105,900 | 45,000 | 0 | 45,000 |

Department of Finance and Administration – TennCare

TennCare is responsible for the administration of Tennessee’s Medicaid waiver program. TennCare provides basic health care and mental health services to people who meet Medicaid eligibility requirements, certain low-income individuals without access to health insurance, and the medically eligible.

Administration

TennCare Administration establishes policy, provides oversight, and directs the TennCare Program and contracts with other agencies that provide administrative service components for the TennCare Program. Administration is divided into four areas:

- Program Administration
- Policy and Planning
- Quality Assurance
- Long Term Care.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 318.65 TennCare Administration | | | | | |
| Full-Time | 508 | 539 | 489 | 0 | 489 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 508 | 539 | 489 | 0 | 489 |
| Payroll | 17,062,100 | 23,048,300 | 21,534,100 | 0 | 21,534,100 |
| Operational | 148,701,100 | 140,833,500 | 130,833,500 | 17,220,000 | 148,053,500 |
| Total | \$165,763,200 | \$163,881,800 | \$152,367,600 | \$17,220,000 | \$169,587,600 |
| State | 74,382,100 | 69,417,300 | 68,660,200 | 2,993,600 | 71,653,800 |
| Federal | 90,056,800 | 84,464,500 | 83,707,400 | 14,092,400 | 97,799,800 |
| Other | 1,324,300 | 10,000,000 | 0 | 134,000 | 134,000 |

TennCare Services

TennCare Services provides funding for traditional basic health care and mental health services that were previously paid for by Medicaid. The program provides funding to:

- Managed care organizations that provide basic medical services
- Behavioral health organizations that provide mental health services
- Agencies that provide medical care.

318.66 TennCare Services

| | | | | | |
|--------------|----------|----------|----------|----------|----------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 4,223,023,300 | 4,089,729,100 | 4,026,954,800 | 1,076,716,200 | 5,103,671,000 |
| Total | \$4,223,023,300 | \$4,089,729,100 | \$4,026,954,800 | \$1,076,716,200 | \$5,103,671,000 |
| State | 1,222,248,700 | 1,214,831,500 | 1,214,831,500 | 290,686,700 | 1,505,518,200 |
| Federal | 2,663,225,200 | 2,594,631,100 | 2,594,631,100 | 588,405,800 | 3,183,036,900 |
| Other | 337,549,400 | 280,266,500 | 217,492,200 | 197,623,700 | 415,115,900 |

Waiver and Crossover Services

Waiver and Crossover Services provides funding for Home and Community Based Services waivers, as well as co-payments and premiums for individuals eligible for TennCare and Medicare. The waivers serve the developmentally delayed population and people who require nursing services.

Funding for Medicare premiums and co-payments allows TennCare recipients, who are eligible for Medicare, the ability to receive medical services that would otherwise be unavailable to recipients due to financial constraints.

318.67 Waiver and Crossover Services

| | | | | | |
|--------------|----------------------|----------------------|----------------------|---------------------|----------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 514,291,700 | 598,026,300 | 598,026,300 | 53,011,600 | 651,037,900 |
| Total | \$514,291,700 | \$598,026,300 | \$598,026,300 | \$53,011,600 | \$651,037,900 |
| State | 161,489,200 | 216,786,600 | 216,786,600 | 18,728,400 | 235,515,000 |
| Federal | 352,802,500 | 381,239,700 | 381,239,700 | 34,283,200 | 415,522,900 |
| Other | 0 | 0 | 0 | 0 | 0 |

Long Term Care

Long Term Care provides funding for individuals that are in need of long term institutional care. This program provides funding for:

- General intermediate care facilities
- Skilled nursing facilities
- State mentally retarded intermediate care facilities
- Private mentally retarded intermediate care facilities.

318.68 Long Term Care Services

| | | | | | |
|--------------|----------|----------|----------|----------|----------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 1,202,572,300 | 1,119,733,400 | 1,119,733,400 | 46,481,600 | 1,166,215,000 |
| Total | \$1,202,572,300 | \$1,119,733,400 | \$1,119,733,400 | \$46,481,600 | \$1,166,215,000 |
| State | 443,978,600 | 399,942,100 | 399,942,100 | 15,449,900 | 415,392,000 |
| Federal | 758,593,700 | 719,791,300 | 719,791,300 | 31,031,700 | 750,823,000 |
| Other | 0 | 0 | 0 | 0 | 0 |
| 318.00 Department Total | | | | | |
| Full-Time | 508 | 539 | 489 | 0 | 489 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 508 | 539 | 489 | 0 | 489 |
| Payroll | 17,062,100 | 23,048,300 | 21,534,100 | 0 | 21,534,100 |
| Operational | 6,088,588,400 | 5,948,322,300 | 5,875,548,000 | 1,193,429,400 | 7,068,977,400 |
| Total | \$6,105,650,500 | \$5,971,370,600 | \$5,897,082,100 | \$1,193,429,400 | \$7,090,511,500 |
| State | 1,902,098,600 | 1,900,977,500 | 1,900,220,400 | 327,858,600 | 2,228,079,000 |
| Federal | 3,864,678,200 | 3,780,126,600 | 3,779,369,500 | 667,813,100 | 4,447,182,600 |
| Other | 338,873,700 | 290,266,500 | 217,492,200 | 197,757,700 | 415,249,900 |

NOTE: TennCare estimate in 2002-2003 excludes supplemental appropriations and reserve expenditures required to balance the program.

Department of Mental Health and Developmental Disabilities

The Department of Mental Health and Developmental Disabilities is responsible for ensuring the provision of services to adults with or at risk of serious and persistent mental illness and children and youth with serious emotional disturbance. This is accomplished through the operation of five state-operated inpatient facilities, policy and program guidance to the TennCare Partners Program, and a system of community service grants. The primary focus of the department is to provide a comprehensive system of care which:

- Includes adequate resources
- Safeguards the rights of consumers
- Promotes consumer integration into the community
- Matches services to the consumer and family members in the least restrictive setting.

The department is divided into two functional areas: Administrative Services and Mental Health Services

Administrative Services

The Administrative Services Division directs the regulatory and administrative responsibilities of the department. Administrative staff in the commissioner's office provide and coordinate legal and medical advice, public information and education, planning, auditing and licensing functions, support services in the recruitment and retention for the workforce, as well as develop and implement special programs and projects.

The Division of Administrative Services oversees purchasing and facility management operations, major maintenance and capital outlay projects; provides budgeting and accounting functions, claims payments, data processing and systems reporting; and develops and maintains automated systems applications for the central office and state-operated facilities.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 339.01 Administrative Services Division | | | | | |
| Full-Time | 153 | 158 | 154 | 0 | 154 |
| Part-Time | 1 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 154 | 158 | 154 | 0 | 154 |
| Payroll | 6,345,800 | 8,413,400 | 8,269,900 | 0 | 8,269,900 |
| Operational | 1,622,700 | 3,020,200 | 2,532,400 | 0 | 2,532,400 |
| Total | \$7,968,500 | \$11,433,600 | \$10,802,300 | \$0 | \$10,802,300 |
| State | 5,351,200 | 8,204,900 | 7,573,600 | 0 | 7,573,600 |
| Federal | 206,200 | 288,200 | 288,200 | 0 | 288,200 |
| Other | 2,411,100 | 2,940,500 | 2,940,500 | 0 | 2,940,500 |

Mental Health Services

Mental Health Services is responsible for the administration of a variety of mental health services including the distribution and payment of mental health service funds for several federal grants, forensic services, and other community programs funded through state dollars. The division is also responsible for the operation of the state's five regional mental health institutes.

The regional mental health institutes provide inpatient services to increase the functioning, productivity, and quality of life for severely mentally ill adults and seriously emotionally disturbed children and adolescents. The Joint Commission on Accreditation of Hospitals accredits these institutes as psychiatric hospitals. The institutes typically provide the following services:

- Acute treatment services for admitting adults who need emergency and generally short-term inpatient care
- Rehabilitation services for chronically ill adults who typically require basic living, socialization, and vocational skills training
- Gero-Psychiatric, physical, and socialization services to persons primarily age 60 and older, many of whom need nursing care
- Children and youth services for children and adolescents primarily referred by mental health centers, juvenile courts, and the Department of Children's Services
- Forensics services for inpatient diagnostic evaluation and/or treatment to adults as designated by the courts
- Forensic evaluation and/or treatment in a secure setting at Middle Tennessee Mental Health Institute.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 339.05 Mental Health Services Administration | | | | | |
| Full-Time | 37 | 36 | 36 | 0 | 36 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 37 | 36 | 36 | 0 | 36 |
| Payroll | 1,881,400 | 2,127,300 | 2,127,300 | 0 | 2,127,300 |
| Operational | 523,400 | 738,200 | 506,800 | 0 | 506,800 |
| Total | \$2,404,800 | \$2,865,500 | \$2,634,100 | \$0 | \$2,634,100 |
| State | 1,840,600 | 2,118,200 | 1,975,300 | 0 | 1,975,300 |
| Federal | 341,300 | 479,400 | 390,900 | 0 | 390,900 |
| Other | 222,900 | 267,900 | 267,900 | 0 | 267,900 |
| 339.08 Community Mental Health Services | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 48,266,300 | 56,670,100 | 54,506,100 | 0 | 54,506,100 |
| Total | \$48,266,300 | \$56,670,100 | \$54,506,100 | \$0 | \$54,506,100 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| State | 34,660,700 | 43,035,000 | 42,993,500 | 0 | 42,993,500 |
| Federal | 9,618,800 | 10,493,400 | 10,215,600 | 0 | 10,215,600 |
| Other | 3,986,800 | 3,141,700 | 1,297,000 | 0 | 1,297,000 |

339.10 Lakeshore Mental Health Institute

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 572 | 572 | 572 | 0 | 572 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 572 | 572 | 572 | 0 | 572 |
| Payroll | 19,801,900 | 21,035,800 | 21,161,800 | 0 | 21,161,800 |
| Operational | 6,511,600 | 6,509,300 | 6,391,800 | 0 | 6,391,800 |
| Total | \$26,313,500 | \$27,545,100 | \$27,553,600 | \$0 | \$27,553,600 |
| State | 10,665,900 | 11,596,200 | 11,604,700 | 0 | 11,604,700 |
| Federal | 1,196,500 | 1,127,600 | 1,127,600 | 0 | 1,127,600 |
| Other | 14,451,100 | 14,821,300 | 14,821,300 | 0 | 14,821,300 |

339.11 Middle Tennessee Mental Health Institute

| | | | | | |
|--------------|---------------------|---------------------|---------------------|--------------------|---------------------|
| Full-Time | 728 | 728 | 728 | 23 | 751 |
| Part-Time | 15 | 15 | 15 | 0 | 15 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 743 | 743 | 743 | 23 | 766 |
| Payroll | 30,174,100 | 29,144,000 | 29,795,100 | 774,100 | 30,569,200 |
| Operational | 10,104,700 | 9,668,700 | 9,008,000 | 399,700 | 9,407,700 |
| Total | \$40,278,800 | \$38,812,700 | \$38,803,100 | \$1,173,800 | \$39,976,900 |
| State | 12,558,200 | 10,978,200 | 10,968,600 | 1,173,800 | 12,142,400 |
| Federal | 1,507,900 | 1,431,400 | 1,431,400 | 0 | 1,431,400 |
| Other | 26,212,700 | 26,403,100 | 26,403,100 | 0 | 26,403,100 |

339.12 Western Mental Health Institute

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------------|---------------------|
| Full-Time | 615 | 615 | 615 | 36 | 651 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 615 | 615 | 615 | 36 | 651 |
| Payroll | 25,689,700 | 25,904,500 | 25,904,500 | 826,700 | 26,731,200 |
| Operational | 5,711,900 | 4,962,600 | 4,962,600 | 0 | 4,962,600 |
| Total | \$31,401,600 | \$30,867,100 | \$30,867,100 | \$826,700 | \$31,693,800 |
| State | 9,071,300 | 10,603,700 | 10,603,700 | 133,600 | 10,737,300 |
| Federal | 1,396,900 | 1,209,100 | 1,209,100 | 0 | 1,209,100 |
| Other | 20,933,400 | 19,054,300 | 19,054,300 | 693,100 | 19,747,400 |

339.16 Moccasin Bend Mental Health Institute

| | | | | | |
|--------------|------------|------------|------------|-----------|------------|
| Full-Time | 354 | 354 | 354 | 42 | 396 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 354 | 354 | 354 | 42 | 396 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 16,583,500 | 16,346,900 | 16,869,100 | 1,373,700 | 18,242,800 |
| Operational | 4,955,200 | 4,170,200 | 3,647,200 | 0 | 3,647,200 |
| Total | \$21,538,700 | \$20,517,100 | \$20,516,300 | \$1,373,700 | \$21,890,000 |
| State | 7,129,400 | 7,659,400 | 7,658,600 | 524,400 | 8,183,000 |
| Federal | 1,153,400 | 1,153,400 | 1,153,400 | 0 | 1,153,400 |
| Other | 13,255,900 | 11,704,300 | 11,704,300 | 849,300 | 12,553,600 |

339.17 Memphis Mental Health Institute

| | | | | | |
|--------------|---------------------|---------------------|---------------------|--------------------|---------------------|
| Full-Time | 337 | 337 | 337 | 0 | 337 |
| Part-Time | 1 | 1 | 1 | 0 | 1 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 338 | 338 | 338 | 0 | 338 |
| Payroll | 12,769,600 | 14,243,800 | 14,243,800 | 0 | 14,243,800 |
| Operational | 5,456,500 | 3,627,700 | 2,186,800 | 1,843,200 | 4,030,000 |
| Total | \$18,226,100 | \$17,871,500 | \$16,430,600 | \$1,843,200 | \$18,273,800 |
| State | 8,704,600 | 9,503,800 | 8,062,900 | 1,843,200 | 9,906,100 |
| Federal | 1,006,300 | 994,900 | 994,900 | 0 | 994,900 |
| Other | 8,515,200 | 7,372,800 | 7,372,800 | 0 | 7,372,800 |

339.40 Major Maintenance

| | | | | | |
|--------------|------------------|------------------|------------------|------------|------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 440,100 | 750,000 | 750,000 | 0 | 750,000 |
| Total | \$440,100 | \$750,000 | \$750,000 | \$0 | \$750,000 |
| State | 440,100 | 750,000 | 750,000 | 0 | 750,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

339.00 Department Total

| | | | | | |
|--------------|----------------------|----------------------|----------------------|--------------------|----------------------|
| Full-Time | 2,796 | 2,800 | 2,796 | 101 | 2,897 |
| Part-Time | 17 | 16 | 16 | 0 | 16 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 2,813 | 2,816 | 2,812 | 101 | 2,913 |
| Payroll | 113,246,000 | 117,215,700 | 118,371,500 | 2,974,500 | 121,346,000 |
| Operational | 83,592,400 | 90,117,000 | 84,491,700 | 2,242,900 | 86,734,600 |
| Total | \$196,838,400 | \$207,332,700 | \$202,863,200 | \$5,217,400 | \$208,080,600 |
| State | 90,422,000 | 104,449,400 | 102,190,900 | 3,675,000 | 105,865,900 |
| Federal | 16,427,300 | 17,177,400 | 16,811,100 | 0 | 16,811,100 |
| Other | 89,989,100 | 85,705,900 | 83,861,200 | 1,542,400 | 85,403,600 |

Statistical Data Mental Health Institutes

| | Lakeshore 339.10 | Middle Tennessee 339.11 | Western 339.12 | Moccasin Bend 339.16 | Memphis 339.17 | Total |
|--------------------------------|-----------------------------|--|---------------------------|-------------------------------------|---------------------------|--------------|
| Annual Admissions | | | | | | |
| 1996-1997 | 1,193 | 1,646 | 1,000 | 1,200 | 1,729 | 6,768 |
| 1997-1998 | 1,301 | 2,331 | 1,340 | 1,648 | 1,707 | 8,327 |
| 1998-1999 | 1,925 | 2,430 | 1,638 | 1,769 | 2,010 | 9,772 |
| 1999-2000 | 2,030 | 2,465 | 1,836 | 2,054 | 1,519 | 9,904 |
| 2000-2001 | 2,279 | 3,087 | 1,865 | 2,089 | 1,624 | 10,944 |
| 2001-2002 | 2,483 | 3,421 | 2,150 | 2,851 | 1,535 | 12,440 |
| 2002-2003 | 2,731 | 3,595 | 2,220 | 2,900 | 1,535 | 12,981 |
| 2003-2004 | 2,731 | 3,595 | 2,220 | 2,900 | 1,535 | 12,981 |
| Annual Releases | | | | | | |
| 1996-1997 | 1,251 | 1,679 | 1,096 | 1,505 | 1,711 | 7,242 |
| 1997-1998 | 1,271 | 2,331 | 1,328 | 1,633 | 1,711 | 8,274 |
| 1998-1999 | 1,946 | 2,409 | 1,616 | 1,776 | 1,991 | 9,738 |
| 1999-2000 | 2,021 | 2,434 | 1,872 | 2,043 | 1,527 | 9,897 |
| 2000-2001 | 2,293 | 3,082 | 1,831 | 2,042 | 1,610 | 10,858 |
| 2001-2002 | 2,471 | 3,416 | 2,164 | 2,854 | 1,540 | 12,445 |
| 2002-2003 | 2,731 | 3,587 | 2,200 | 2,900 | 1,540 | 12,958 |
| 2003-2004 | 2,731 | 3,587 | 2,200 | 2,900 | 1,540 | 12,958 |
| Average Daily Census | | | | | | |
| 1996-1997 | 193 | 246 | 247 | 148 | 90 | 924 |
| 1997-1998 | 181 | 236 | 230 | 141 | 97 | 885 |
| 1998-1999 | 200 | 257 | 228 | 147 | 102 | 934 |
| 1999-2000 | 188 | 273 | 234 | 155 | 77 | 927 |
| 2000-2001 | 180 | 288 | 254 | 179 | 82 | 983 |
| 2001-2002 | 160 | 284 | 259 | 151 | 79 | 933 |
| 2002-2003 | 167 | 293 | 259 | 160 | 79 | 958 |
| 2003-2004 | 167 | 293 | 259 | 160 | 79 | 958 |
| Cost Per Occupancy Day* | | | | | | |
| 1996-1997 | \$333.68 | \$315.93 | \$235.09 | \$327.10 | \$368.89 | \$304.98 |
| 1997-1998 | \$324.78 | \$308.86 | \$267.76 | \$315.78 | \$347.52 | \$306.78 |
| 1998-1999 | \$309.33 | \$314.99 | \$312.34 | \$319.52 | \$413.64 | \$324.62 |
| 1999-2000 | \$338.73 | \$342.03 | \$291.06 | \$320.81 | \$563.16 | \$343.31 |
| 2000-2001 | \$388.31 | \$358.65 | \$292.57 | \$302.11 | \$557.94 | \$353.33 |
| 2001-2002 | \$450.57 | \$388.57 | \$332.17 | \$390.80 | \$632.08 | \$404.52 |
| 2002-2003 | \$451.89 | \$362.92 | \$326.52 | \$351.32 | \$619.78 | \$387.83 |
| 2003-2004 | \$452.03 | \$373.81 | \$335.26 | \$374.83 | \$633.74 | \$398.63 |

* Last column indicates average cost per day for all institutions.

Department of Finance and Administration – Mental Retardation

The Department of Finance & Administration – Division of Mental Retardation Services is responsible for providing services to Tennesseans with mental retardation and other developmental disabilities to meet their individual and family choices and needs for services and support. Services are provided in a variety of settings, ranging from individual supported living in the community to institutional care, to ensure the most integrated environment to meet the needs of each person. This division also provides support to the Developmental Disabilities Council.

Mental Retardation Administration is responsible for the following:

- Coordination and support of three regional offices
- Administration of three developmental centers
- Administration of a Home and Community Based Waiver program for 4500 individuals
- Development and implementation of policies
- Settlement Agreement community plan implementation
- Statewide program and provider development and approval
- Administration of the Family Support Program
- Budget and personnel coordination
- Receipt and payment of TennCare provider reimbursement for the Home and Community Based Waiver
- Coordination of community and developmental center investigations
- Training, technical assistance, and consultation in various specialty areas.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 339.21 Mental Retardation Administration | | | | | |
| Full-Time | 114 | 102 | 102 | 21 | 123 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 114 | 102 | 102 | 21 | 123 |
| Payroll | 4,658,100 | 5,439,400 | 5,439,400 | 1,039,500 | 6,478,900 |
| Operational | 3,539,300 | 3,368,000 | 3,368,000 | 0 | 3,368,000 |
| Total | \$8,197,400 | \$8,807,400 | \$8,807,400 | \$1,039,500 | \$9,846,900 |
| State | 7,747,900 | 2,807,300 | 2,807,300 | 313,000 | 3,120,300 |
| Federal | 92,900 | 0 | 0 | 0 | 0 |
| Other | 356,600 | 6,000,100 | 6,000,100 | 726,500 | 6,726,600 |

Developmental Disabilities Council

The Developmental Disabilities Council consists of members appointed by the Governor and represents a broad range of disabilities as well as the cultural and geographical diversity of the state. The council works for public policies and service systems that promote the inclusion of individuals with developmental disabilities in their communities. Council members are responsible for administering federal grant funds and implementing federal law. While the council is administratively tied to the Division of Mental Retardation Services, council employees operate separately from the Division of Mental Retardation Services staff and work at the direction of the council.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 339.22 Developmental Disabilities Council | | | | | |
| Full-Time | 8 | 8 | 8 | 0 | 8 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 8 | 8 | 8 | 0 | 8 |
| Payroll | 326,000 | 385,600 | 398,600 | 0 | 398,600 |
| Operational | 1,257,200 | 1,851,400 | 1,838,400 | 0 | 1,838,400 |
| Total | \$1,583,200 | \$2,237,000 | \$2,237,000 | \$0 | \$2,237,000 |
| State | 70,300 | 144,900 | 144,900 | 0 | 144,900 |
| Federal | 1,512,900 | 2,092,100 | 2,092,100 | 0 | 2,092,100 |
| Other | 0 | 0 | 0 | 0 | 0 |

Community Mental Retardation Services provide community-based mental retardation services to persons with mental retardation and other developmental disabilities. The division contracts with community agencies across the state to provide the following comprehensive system of support services:

- Family-based residential services
- Group homes
- Family support
- Supported living
- Highly structured specialized living arrangements
- Adult day services
- Therapy services
- Early intervention services
- Respite
- Diagnostic and evaluation
- Recreation
- Supported employment
- Support coordination services.

339.23 Community Mental Retardation Services

| | | | | | |
|--------------|----------------------|----------------------|----------------------|---------------------|----------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 307,545,600 | 358,407,600 | 357,907,600 | 28,260,400 | 386,168,000 |
| Total | \$307,545,600 | \$358,407,600 | \$357,907,600 | \$28,260,400 | \$386,168,000 |
| State | 51,503,100 | 58,073,100 | 57,573,100 | 9,895,400 | 67,468,500 |
| Federal | 8,600 | 0 | 0 | 0 | 0 |
| Other | 256,033,900 | 300,334,500 | 300,334,500 | 18,365,000 | 318,699,500 |

The Division of Mental Retardation Services is also responsible for the three regional offices of the state, which coordinate services for individuals in the community, developmental centers, and for individuals transitioning from institutional settings to the community. These offices assist consumers and their families in finding the most appropriate, least restrictive placement. They also monitor services to ensure appropriate and safe living and working environments for each person.

Each regional office coordinates the operation of one of the state's three developmental centers: Arlington, Clover Bottom, and Greene Valley. Each center provides 24-hour care to improve the physical, intellectual, social, and emotional capabilities of adults and children who are severely

and profoundly retarded. The following programs are typically provided by the developmental centers:

- Individualized personal care and training opportunities in self-help, ambulation, communication, and socialization skills
- Intensive care for individualized habilitation training in self-help, language development, and motor skills for retarded residents with severe and profound mental retardation
- Medical treatment to residents who require more than can be provided in the living unit, but do not require specialized medical services which can only be obtained through outside hospitalization
- Mentally retarded offender care at Harold W. Jordan Habilitation Center, located at Clover Bottom Developmental Center, for habilitation and competency training in a secure institution for adolescent and adult offenders exhibiting challenging behaviors with mild to moderate retardation.

| | <u>Actual</u> <u>2001-2002</u> | <u>Estimated</u> <u>2002-2003</u> | <u>Base</u> <u>2003-2004</u> | <u>Improvement</u> <u>2003-2004</u> | <u>Recommended</u> <u>2003-2004</u> |
|---------------------------------------|---|--|---|--|--|
| 339.25 West Tennessee Region | | | | | |
| Full-Time | 1,218 | 1,222 | 1,222 | 55 | 1,277 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 1,218 | 1,222 | 1,222 | 55 | 1,277 |
| Payroll | 46,429,600 | 44,478,500 | 44,478,500 | 2,647,000 | 47,125,500 |
| Operational | 25,559,900 | 36,724,700 | 36,724,700 | 0 | 36,724,700 |
| Total | \$71,989,500 | \$81,203,200 | \$81,203,200 | \$2,647,000 | \$83,850,200 |
| State | 2,815,700 | 4,333,200 | 4,333,200 | 417,300 | 4,750,500 |
| Federal | 2,900 | 0 | 0 | 0 | 0 |
| Other | 69,170,900 | 76,870,000 | 76,870,000 | 2,229,700 | 79,099,700 |
| 339.26 Middle Tennessee Region | | | | | |
| Full-Time | 1,047 | 1,051 | 1,051 | 44 | 1,095 |
| Part-Time | 1 | 1 | 1 | 0 | 1 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 1,048 | 1,052 | 1,052 | 44 | 1,096 |
| Payroll | 36,925,200 | 41,911,300 | 34,270,500 | 5,722,400 | 39,992,900 |
| Operational | 20,027,900 | 22,058,300 | 18,299,100 | 1,879,600 | 20,178,700 |
| Total | \$56,953,100 | \$63,969,600 | \$52,569,600 | \$7,602,000 | \$60,171,600 |
| State | 2,218,300 | 8,528,500 | 2,828,500 | 6,080,100 | 8,908,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 54,734,800 | 55,441,100 | 49,741,100 | 1,521,900 | 51,263,000 |
| 339.27 East Tennessee Region | | | | | |
| Full-Time | 1,364 | 1,368 | 1,368 | 128 | 1,496 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 1,364 | 1,368 | 1,368 | 128 | 1,496 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 50,153,400 | 47,702,000 | 47,702,000 | 5,620,000 | 53,322,000 |
| Operational | 16,407,200 | 17,486,400 | 17,486,400 | 0 | 17,486,400 |
| Total | \$66,560,600 | \$65,188,400 | \$65,188,400 | \$5,620,000 | \$70,808,400 |
| State | 7,209,800 | 2,619,300 | 2,619,300 | 300,000 | 2,919,300 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 59,350,800 | 62,569,100 | 62,569,100 | 5,320,000 | 67,889,100 |

339.21 Department Total

| | | | | | |
|--------------|----------------------|----------------------|----------------------|---------------------|----------------------|
| Full-Time | 3,751 | 3,751 | 3,751 | 248 | 3,999 |
| Part-Time | 1 | 1 | 1 | 0 | 1 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 3,752 | 3,752 | 3,752 | 248 | 4,000 |
| Payroll | 138,492,300 | 139,916,800 | 132,289,000 | 15,028,900 | 147,317,900 |
| Operational | 374,337,100 | 439,896,400 | 435,624,200 | 30,140,000 | 465,764,200 |
| Total | \$512,829,400 | \$579,813,200 | \$567,913,200 | \$45,168,900 | \$613,082,100 |
| State | 71,565,100 | 76,506,300 | 70,306,300 | 17,005,800 | 87,312,100 |
| Federal | 1,617,300 | 2,092,100 | 2,092,100 | 0 | 2,092,100 |
| Other | 439,647,000 | 501,214,800 | 495,514,800 | 28,163,100 | 523,677,900 |

Statistical Data Mental Retardation Developmental Centers

| | <u>Arlington</u> 339.25 | <u>Clover</u> <u>Bottom</u> 339.26 | <u>Greene</u> <u>Valley</u> 339.27 | <u>Nat</u> <u>Winston</u> 339.28 | <u>Total</u> |
|--------------------------------|----------------------------|--|--|--|--------------|
| Annual Admissions | | | | | |
| 1996-1997 | 0 | 6 | 5 | 0 | 11 |
| 1997-1998 | 1 | 9 | 8 | 0 | 18 |
| 1998-1999 | 1 | 2 | 3 | 0 | 6 |
| 1999-2000 | 0 | 3 | 0 | 0 | 3 |
| 2000-2001 | 0 | 15 | 10 | 0 | 25 |
| 2001-2002 | 0 | 6 | 6 | 0 | 12 |
| 2002-2003 | 0 | 6 | 6 | 0 | 12 |
| 2003-2004 | 0 | 0 | 0 | 0 | 0 |
| Annual Releases | | | | | |
| 1996-1997 | 18 | 58 | 36 | 44 | 156 |
| 1997-1998 | 23 | 43 | 37 | 66 | 169 |
| 1998-1999 | 36 | 25 | 46 | 0 | 107 |
| 1999-2000 | 17 | 39 | 19 | 0 | 75 |
| 2000-2001 | 24 | 30 | 30 | 0 | 84 |
| 2001-2002 | 42 | 16 | 16 | 0 | 74 |
| 2002-2003 | 40 | 26 | 26 | 0 | 92 |
| 2003-2004 | 84 | 19 | 26 | 0 | 129 |
| Average Daily Census | | | | | |
| 1996-1997 | 354 | 386 | 471 | 87 | 1,298 |
| 1997-1998 | 333 | 340 | 446 | 37 | 1,156 |
| 1998-1999 | 300 | 311 | 406 | 0 | 1,017 |
| 1999-2000 | 285 | 289 | 374 | 0 | 948 |
| 2000-2001 | 261 | 264 | 353 | 0 | 878 |
| 2001-2002 | 249 | 239 | 343 | 0 | 831 |
| 2002-2003 | 214 | 219 | 328 | 0 | 761 |
| 2003-2004 | 171 | 210 | 300 | 0 | 681 |
| Cost Per Occupancy Day* | | | | | |
| 1996-1997 | \$503.70 | \$359.63 | \$279.10 | \$290.58 | \$365.07 |
| 1997-1998 | \$552.15 | \$426.35 | \$346.10 | \$399.64 | \$430.77 |
| 1998-1999 | \$600.83 | \$466.73 | \$398.01 | \$0.00 | \$478.85 |
| 1999-2000 | \$605.80 | \$475.43 | \$425.61 | \$0.00 | \$494.97 |
| 2000-2001 | \$690.46 | \$511.23 | \$457.11 | \$0.00 | \$542.75 |
| 2001-2002 | \$695.35 | \$585.05 | \$478.80 | \$0.00 | \$574.25 |
| 2002-2003 | \$833.75 | \$645.80 | \$497.53 | \$0.00 | \$634.75 |
| 2003-2004 | \$1,043.41 | \$677.50 | \$543.97 | \$0.00 | \$710.55 |

* Last column indicates average cost per day for all institutions.

Department of Health

The Department of Health is responsible for protecting and improving the health of Tennesseans and Tennessee's visitors. In order to carry out this responsibility, the department is organized into five functional areas which include:

- Administrative and support services
- Bureau of Health Licensure and Regulation
- Bureau of Health Informatics
- Bureau of Health Services
- Bureau of Alcohol and Drug Abuse Services.

Administrative and Support Services

Administrative and Support Services provides direction, coordination, review, and basic support services to the Department of Health. This area is divided into Executive Administration, the Bureau of Administrative Services, Laboratory Services, and the Nursing Home Resident Grant Assistance Program.

Executive Administration provides for the overall policy direction and management of the department, as well as the human resources, legal, and minority health activities.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 343.01 Executive Administration | | | | | |
| Full-Time | 74 | 73 | 73 | 0 | 73 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 74 | 73 | 73 | 0 | 73 |
| Payroll | 3,674,500 | 3,996,000 | 3,996,000 | 0 | 3,996,000 |
| Operational | 1,173,500 | 1,343,400 | 1,343,400 | 0 | 1,343,400 |
| Total | \$4,848,000 | \$5,339,400 | \$5,339,400 | \$0 | \$5,339,400 |
| State | 3,795,700 | 4,494,600 | 4,494,600 | 0 | 4,494,600 |
| Federal | 1,050,200 | 844,800 | 844,800 | 0 | 844,800 |
| Other | 2,100 | 0 | 0 | 0 | 0 |

The Bureau of Administrative Services provides administrative support to program areas of the department. This support includes accounting, budgeting, contracting, and facilities management, as well as procurement and payment activities.

343.03 Bureau of Administrative Services

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 63 | 63 | 61 | 0 | 61 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 63 | 63 | 61 | 0 | 61 |
| Payroll | 2,393,500 | 2,900,500 | 2,842,800 | 0 | 2,842,800 |
| Operational | 618,100 | 647,700 | 647,700 | 0 | 647,700 |
| Total | \$3,011,600 | \$3,548,200 | \$3,490,500 | \$0 | \$3,490,500 |
| State | 2,238,400 | 2,486,500 | 2,428,800 | 0 | 2,428,800 |
| Federal | 763,200 | 1,061,700 | 1,061,700 | 0 | 1,061,700 |
| Other | 10,000 | 0 | 0 | 0 | 0 |

Laboratory Services offers microbiological and environmental laboratory services for intra- and inter-departmental programs. Reference and limited microbiological support is provided to hospitals, private physicians, and private laboratories. The division also provides analytical support to the department's prevention and treatment programs and to environmental regulatory programs.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|-----------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 343.08 Laboratory Services | | | | | |
| Full-Time | 174 | 192 | 183 | 0 | 183 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 174 | 192 | 183 | 0 | 183 |
| Payroll | 5,419,300 | 8,479,400 | 8,207,300 | 0 | 8,207,300 |
| Operational | 5,479,800 | 8,638,900 | 8,263,900 | 0 | 8,263,900 |
| Total | \$10,899,100 | \$17,118,300 | \$16,471,200 | \$0 | \$16,471,200 |
| State | 6,109,700 | 7,981,500 | 7,334,400 | 0 | 7,334,400 |
| Federal | 578,000 | 3,236,500 | 3,236,500 | 0 | 3,236,500 |
| Other | 4,211,400 | 5,900,300 | 5,900,300 | 0 | 5,900,300 |

The primary function of the Nursing Home Resident Grant Assistance Program was to provide financial assistance to private pay nursing home residents who met financial eligibility and received no financial assistance from any other state and/or federal medical care program for the cost of their nursing home care. This program was discontinued in fiscal year 2002.

343.70 Nursing Home Resident Grant Assistance Program

| | | | | | |
|--------------|------------------|------------|------------|------------|------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 472,100 | 0 | 0 | 0 | 0 |
| Total | \$472,100 | \$0 | \$0 | \$0 | \$0 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 472,100 | 0 | 0 | 0 | 0 |

Bureau of Health Licensure and Regulation

The Bureau of Health Licensure and Regulation regulates the health care industry through the certification and licensure of health care facilities, emergency medical services, and the regulation of certain health care professionals.

Health Licensure and Regulation provides the overall policy, direction, and support for the Bureau of Health Licensure and Regulation and specifically monitors the quality of health care rendered to the citizens of Tennessee by regulating health care facilities. The following programs are administered:

- Civil rights compliance
- Health care facility licensure

- Health Care Facility Federal Certification Program.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 343.05 Health Licensure and Regulation | | | | | |
| Full-Time | 164 | 164 | 164 | 2 | 166 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 164 | 164 | 164 | 2 | 166 |
| Payroll | 6,960,600 | 7,612,200 | 7,612,200 | 92,600 | 7,704,800 |
| Operational | 3,980,400 | 3,394,500 | 2,869,400 | 687,800 | 3,557,200 |
| Total | \$10,941,000 | \$11,006,700 | \$10,481,600 | \$780,400 | \$11,262,000 |
| State | 3,875,200 | 3,969,400 | 3,294,300 | 307,700 | 3,602,000 |
| Federal | 5,424,000 | 5,552,700 | 5,552,700 | 472,700 | 6,025,400 |
| Other | 1,641,800 | 1,484,600 | 1,634,600 | 0 | 1,634,600 |

Emergency Medical Services (EMS) provides quality assurance and oversight of pre-hospital emergency medical care and the medical transportation system in Tennessee. Activities include licensing public and private ambulance services, inspecting and issuing permits for ambulances, training and certifying personnel, and developing regulations. In addition, technical assistance and coordination is provided to local governments for the development of EMS communications systems.

343.07 Emergency Medical Services

| | | | | | |
|--------------|--------------------|--------------------|--------------------|-----------------|--------------------|
| Full-Time | 17 | 17 | 17 | 1 | 18 |
| Part-Time | 13 | 13 | 13 | 0 | 13 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 30 | 30 | 30 | 1 | 31 |
| Payroll | 743,000 | 802,200 | 802,200 | 22,600 | 824,800 |
| Operational | 369,900 | 1,011,900 | 1,011,900 | 6,400 | 1,018,300 |
| Total | \$1,112,900 | \$1,814,100 | \$1,814,100 | \$29,000 | \$1,843,100 |
| State | 173,600 | 614,600 | 514,600 | 0 | 514,600 |
| Federal | 259,000 | 632,500 | 632,500 | 0 | 632,500 |
| Other | 680,300 | 567,000 | 667,000 | 29,000 | 696,000 |

The Health Related Boards regulate certain health care professions through the following activities:

- Certification and licensure of health care professionals
- Enforcement of statutes and rules pertaining to standards of practice and professional conduct
- Assistance in administration, investigation, enforcement, and peer assistance.

343.10 Health Related Boards

| | | | | | |
|--------------|------------|------------|------------|----------|------------|
| Full-Time | 111 | 111 | 111 | 0 | 111 |
| Part-Time | 163 | 163 | 163 | 0 | 163 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 274 | 274 | 274 | 0 | 274 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 3,964,400 | 4,500,800 | 4,500,800 | 0 | 4,500,800 |
| Operational | 3,503,200 | 4,794,400 | 4,794,400 | 600,000 | 5,394,400 |
| Total | \$7,467,600 | \$9,295,200 | \$9,295,200 | \$600,000 | \$9,895,200 |
| State | 7,422,700 | 9,295,200 | 9,295,200 | 600,000 | 9,895,200 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 44,900 | 0 | 0 | 0 | 0 |

Bureau of Health Informatics

The Bureau of Health Informatics collects and analyzes a wide array of public health data. This data is utilized by various agencies of government and the private sector to assess public health trends in order to assist them in priority-setting and establishment of health policy. It is further used for specific program planning and resource allocation to address identified public health needs and concerns. The bureau also provides information system support to the various programs within the Department of Health through its Division of Technology.

The Division of Technology provides information systems support to the various programs within the Department of Health. This support includes systems applications and operations activities for mainframe and personal computers as well as data and text management.

343.04 Division of Technology

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 53 | 53 | 51 | 0 | 51 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 53 | 53 | 51 | 0 | 51 |
| Payroll | 2,153,200 | 2,651,900 | 2,564,400 | 0 | 2,564,400 |
| Operational | 807,500 | 778,400 | 778,400 | 0 | 778,400 |
| Total | \$2,960,700 | \$3,430,300 | \$3,342,800 | \$0 | \$3,342,800 |
| State | 2,883,700 | 3,374,900 | 3,287,400 | 0 | 3,287,400 |
| Federal | 74,400 | 54,600 | 54,600 | 0 | 54,600 |
| Other | 2,600 | 800 | 800 | 0 | 800 |

The Division of Policy, Planning, and Assessment administers all vital records; health statistics and research; the traumatic brain injury registry; the cancer registry; and the Children's Information Tennessee (CIT) system which was created through the partnership of five state agencies which provide various services to Tennessee children.

343.20 Division of Policy, Planning, and Assessment

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------------|--------------------|
| Full-Time | 119 | 122 | 119 | 8 | 127 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 119 | 122 | 119 | 8 | 127 |
| Payroll | 4,015,500 | 5,015,700 | 4,899,600 | 397,000 | 5,296,600 |
| Operational | 3,965,900 | 3,730,500 | 3,230,500 | 204,100 | 3,434,600 |
| Total | \$7,981,400 | \$8,746,200 | \$8,130,100 | \$601,100 | \$8,731,200 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| State | 4,136,700 | 5,042,200 | 4,459,100 | 0 | 4,459,100 |
| Federal | 1,267,700 | 1,567,100 | 1,542,400 | 0 | 1,542,400 |
| Other | 2,577,000 | 2,136,900 | 2,128,600 | 601,100 | 2,729,700 |

Bureau of Health Services

The Bureau of Health Services is responsible for the delivery of public health services to the citizens and visitors of Tennessee through a system of thirteen regional health offices responsible for the oversight of services provided in 89 rural and six metropolitan county health departments. These services encompass both primary care and prevention services with an emphasis on health promotion, disease prevention, and health access activities. The programs offered by this bureau are in six functional areas:

- General Environmental Health
- Maternal and Child Health
- Communicable and Environmental Disease Services
- Population-Based Services
- Women, Infants, and Children (WIC) Supplemental Foods
- Local Health Services.

Health Services Administration directs, supervises, plans, and coordinates health care service delivery in the state as well as providing administrative support to the various programs within the Bureau of Health Services.

343.45 Health Services Administration

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 54 | 54 | 54 | 0 | 54 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 54 | 54 | 54 | 0 | 54 |
| Payroll | 2,585,200 | 3,154,300 | 3,154,300 | 0 | 3,154,300 |
| Operational | 1,795,000 | 1,706,800 | 1,706,800 | 0 | 1,706,800 |
| Total | \$4,380,200 | \$4,861,100 | \$4,861,100 | \$0 | \$4,861,100 |
| State | 3,423,200 | 3,603,000 | 3,603,000 | 0 | 3,603,000 |
| Federal | 957,000 | 1,246,500 | 1,246,500 | 0 | 1,246,500 |
| Other | 0 | 11,600 | 11,600 | 0 | 11,600 |

The General Environmental Health program enforces standards pertaining to sanitation and safety in hotels, food service establishments, bed and breakfast establishments, camps, and swimming pools through field inspections. In addition, the program is responsible for rabies control activities, lead investigations, and environmental surveys which are conducted in schools, child care facilities, and state correctional institutions.

343.39 General Environmental Health

| | | | | | |
|--------------|------------|------------|------------|----------|------------|
| Full-Time | 110 | 110 | 110 | 0 | 110 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 110 | 110 | 110 | 0 | 110 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 4,812,000 | 5,254,500 | 5,254,500 | 0 | 5,254,500 |
| Operational | 2,439,400 | 3,151,800 | 3,151,800 | 841,100 | 3,992,900 |
| Total | \$7,251,400 | \$8,406,300 | \$8,406,300 | \$841,100 | \$9,247,400 |
| State | 7,191,100 | 8,377,700 | 8,377,700 | 841,100 | 9,218,800 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 60,300 | 28,600 | 28,600 | 0 | 28,600 |

The Maternal and Child Health (MCH) program provides health services to women of child-bearing age and to children in low-income populations in an effort to reduce maternal and infant mortality and morbidity. This program also provides evaluation, diagnosis, education, counseling, comprehensive medical care, and case management services for physically disabled children up to the age of twenty-one. Programs administered by this division include:

- Regional perinatal centers
- Prenatal care
- Genetics and sickle cell screening
- Child health care services
- Black health care projects
- Family planning.

343.47 Maternal and Child Health

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 35 | 38 | 38 | 0 | 38 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 35 | 38 | 38 | 0 | 38 |
| Payroll | 1,183,400 | 1,889,800 | 1,889,800 | 0 | 1,889,800 |
| Operational | 10,086,700 | 12,293,600 | 11,901,500 | 0 | 11,901,500 |
| Total | \$11,270,100 | \$14,183,400 | \$13,791,300 | \$0 | \$13,791,300 |
| State | 3,000,900 | 3,005,400 | 2,781,300 | 0 | 2,781,300 |
| Federal | 4,952,100 | 4,920,300 | 6,584,700 | 0 | 6,584,700 |
| Other | 3,317,100 | 6,257,700 | 4,425,300 | 0 | 4,425,300 |

The Communicable and Environmental Disease Services (CEDS) program conducts activities to protect the citizens of the state from infectious diseases. These activities include epidemiological investigations of acute communicable diseases, tuberculosis control services, administration of immunizations against vaccine-preventable diseases, as well as investigation, diagnosis and treatment of persons with sexually transmitted diseases including HIV/AIDS. This division also provides skilled professional case management intervention, financial assistance, housing, medical and social services, and referrals across Tennessee for people with HIV, their families and caregivers. Environmental epidemiology services are also provided in this section including education programs relative to chemical or physical pollution; disease cluster investigations; and toxicological at-risk assessment consultations with environmental regulatory programs within the Department of Environment and Conservation.

343.49 Communicable and Environmental Disease Services

| | | | | | |
|--------------|-----------|-----------|-----------|----------|-----------|
| Full-Time | 71 | 96 | 96 | 0 | 96 |
| Part-Time | 1 | 1 | 1 | 0 | 1 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 72 | 97 | 97 | 0 | 97 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 2,711,100 | 4,967,100 | 5,078,000 | 0 | 5,078,000 |
| Operational | 14,756,800 | 23,140,600 | 22,663,000 | 0 | 22,663,000 |
| Total | \$17,467,900 | \$28,107,700 | \$27,741,000 | \$0 | \$27,741,000 |
| State | 2,427,700 | 4,282,700 | 3,782,700 | 0 | 3,782,700 |
| Federal | 14,957,800 | 23,825,000 | 23,958,300 | 0 | 23,958,300 |
| Other | 82,400 | 0 | 0 | 0 | 0 |

Population-Based Services include health promotion activities which seek to reduce premature death and disability, and promote healthy lifestyle practices through a combination of preventive programs and wellness initiatives. The target population served is the indigent and medically underserved. The Health Access Incentive Program provides financial incentives to primary care providers to locate in an underserved area as well as other community initiatives. The Office of Rural Health provides statewide coordination of activities designed to improve the availability and accessibility of health care services in rural areas. Specific programs include:

- Health access
- Rural health
- Rape prevention & education
- Chronic renal disease
- Hemophilia
- Community Prevention Initiative
- Community development
- State Medical Examiner's program
- Traumatic brain injury
- Community nutrition services
- Employee health clinic.

343.52 Population-Based Services

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 58 | 64 | 62 | 0 | 62 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 58 | 64 | 62 | 0 | 62 |
| Payroll | 2,545,000 | 3,073,500 | 2,995,800 | 0 | 2,995,800 |
| Operational | 10,799,300 | 13,156,400 | 12,707,100 | 0 | 12,707,100 |
| Total | \$13,344,300 | \$16,229,900 | \$15,702,900 | \$0 | \$15,702,900 |
| State | 8,474,600 | 9,515,800 | 8,988,800 | 0 | 8,988,800 |
| Federal | 4,581,400 | 6,115,200 | 6,115,200 | 0 | 6,115,200 |
| Other | 288,300 | 598,900 | 598,900 | 0 | 598,900 |

The Women, Infants, and Children (WIC) Supplemental Foods Program provides screening, counseling, and food supplements to needy women, infants, and children. Through promotion and modification of food practices, this program seeks to minimize the risk of complications to mothers and children, maximize normal development, and improve the health status of the targeted high-risk population.

343.53 Women, Infants, and Children (WIC)

| | | | | | |
|--------------|-----------|-----------|-----------|----------|-----------|
| Full-Time | 19 | 20 | 20 | 0 | 20 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 19 | 20 | 20 | 0 | 20 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 711,700 | 947,700 | 947,700 | 0 | 947,700 |
| Operational | 105,476,600 | 108,865,700 | 108,865,700 | 0 | 108,865,700 |
| Total | \$106,188,300 | \$109,813,400 | \$109,813,400 | \$0 | \$109,813,400 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 72,727,000 | 75,807,400 | 75,807,400 | 0 | 75,807,400 |
| Other | 33,461,300 | 34,006,000 | 34,006,000 | 0 | 34,006,000 |

Local Health Services offers health services to citizens of the state through a network of regional health offices, metropolitan area offices, and county health departments. Grant-in-aid is provided to local health units to assure that every citizen in the state has access to health care and to assist county health departments in providing adequate staff. The health services provided through this network include the following:

- Child health and development services
- Family planning services
- Community health clinics/primary care services
- Dental services
- Women, Infants, and Children (WIC)
- Children's special services
- Immunizations services
- Health promotion services
- Sexually transmitted diseases services
- Tuberculosis control services
- AIDS services
- A & D intake, assessment & referral
- Community development
- Families First home visits
- TennCare outreach activities.

343.60 Local Health Services

| | | | | | |
|--------------|----------------------|----------------------|----------------------|------------|----------------------|
| Full-Time | 1,556 | 1,592 | 1,566 | 0 | 1,566 |
| Part-Time | 4 | 4 | 4 | 0 | 4 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 1,560 | 1,596 | 1,570 | 0 | 1,570 |
| Payroll | 55,852,300 | 67,461,900 | 66,538,900 | 0 | 66,538,900 |
| Operational | 68,217,900 | 74,136,500 | 71,740,500 | 0 | 71,740,500 |
| Total | \$124,070,200 | \$141,598,400 | \$138,279,400 | \$0 | \$138,279,400 |
| State | 19,257,800 | 25,947,100 | 23,177,500 | 0 | 23,177,500 |
| Federal | 42,539,900 | 58,098,400 | 58,098,400 | 0 | 58,098,400 |
| Other | 62,272,500 | 57,552,900 | 57,003,500 | 0 | 57,003,500 |

Bureau of Alcohol and Drug Abuse Services

Alcohol and Drug Abuse Services is responsible for developing prevention and treatment services to decrease the incidence of alcohol and other drug abuse and dependence. There is particular emphasis on populations with special needs including children and youth, AIDS patients, minorities, women, intravenous drug abusers, the elderly, and persons with both mental health and alcohol and/or drug abuse diagnoses (dual diagnosis).

The majority of services developed through this program are funded through grants to non-profit or local government agencies. The activities of Alcohol and Drug Abuse Services include:

- Directing media campaigns to prevent and reduce substance abuse and addiction

- Coordinating, assisting, and developing alcohol and drug abuse prevention services and programs with local communities including, but not limited to, intensive focus, community prevention networks, and regional training
- Coordinating, assisting, and developing alcohol and drug abuse treatment services and programs with local communities including, but not limited to, detoxification, family intervention, residential rehabilitation, halfway houses, day treatment, and outpatient services
- Coordinating alcohol and drug policy and programming with regional, national, and federal networks
- Collaborating and coordinating with local governments, community groups, and other state agencies to target at-risk youth with prevention programs through the Community Prevention Initiative.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 343.44 Alcohol and Drug Abuse Services | | | | | |
| Full-Time | 30 | 30 | 30 | 0 | 30 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 30 | 30 | 30 | 0 | 30 |
| Payroll | 1,444,100 | 1,500,600 | 1,500,600 | 0 | 1,500,600 |
| Operational | 38,867,600 | 45,631,500 | 43,457,500 | 0 | 43,457,500 |
| Total | \$40,311,700 | \$47,132,100 | \$44,958,100 | \$0 | \$44,958,100 |
| State | 9,963,600 | 12,001,600 | 10,914,600 | 0 | 10,914,600 |
| Federal | 30,284,600 | 35,130,500 | 34,043,500 | 0 | 34,043,500 |
| Other | 63,500 | 0 | 0 | 0 | 0 |
| 343.00 Department Total | | | | | |
| Full-Time | 2,708 | 2,799 | 2,755 | 11 | 2,766 |
| Part-Time | 181 | 181 | 181 | 0 | 181 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 2,889 | 2,980 | 2,936 | 11 | 2,947 |
| Payroll | 101,168,800 | 124,208,100 | 122,784,900 | 512,200 | 123,297,100 |
| Operational | 272,809,700 | 306,422,600 | 299,133,500 | 2,339,400 | 301,472,900 |
| Total | \$373,978,500 | \$430,630,700 | \$421,918,400 | \$2,851,600 | \$424,770,000 |
| State | 84,374,600 | 103,992,200 | 96,734,000 | 1,748,800 | 98,482,800 |
| Federal | 180,416,300 | 218,093,200 | 218,779,200 | 472,700 | 219,251,900 |
| Other | 109,187,600 | 108,545,300 | 106,405,200 | 630,100 | 107,035,300 |

Department of Human Services

The mission of the Department of Human Services is to provide an effective system of services for disadvantaged, disabled and vulnerable Tennesseans to improve their quality of life. The department is structured into four functional areas:

- Administration
- Adult and Family Services
- Child Support
- Rehabilitation Services.

Administration

Administration provides departmental support services, operates county field offices, supervises a quality control system, and conducts administrative hearings and investigations.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 345.01 Division of Administration | | | | | |
| Full-Time | 469 | 479 | 480 | 46 | 526 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 469 | 479 | 480 | 46 | 526 |
| Payroll | 19,649,000 | 22,227,300 | 22,660,000 | 2,778,000 | 25,438,000 |
| Operational | 28,533,100 | 29,860,800 | 28,441,700 | 1,146,900 | 29,588,600 |
| Total | \$48,182,100 | \$52,088,100 | \$51,101,700 | \$3,924,900 | \$55,026,600 |
| State | 16,347,000 | 19,148,500 | 18,516,900 | 1,334,500 | 19,851,400 |
| Federal | 24,488,700 | 24,355,900 | 24,051,300 | 2,590,400 | 26,641,700 |
| Other | 7,346,400 | 8,583,700 | 8,533,500 | 0 | 8,533,500 |
| 345.16 Field Operations | | | | | |
| Full-Time | 518 | 514 | 514 | 0 | 514 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 518 | 514 | 514 | 0 | 514 |
| Payroll | 16,580,400 | 18,401,500 | 18,401,500 | 0 | 18,401,500 |
| Operational | 1,099,100 | 890,200 | 890,200 | 0 | 890,200 |
| Total | \$17,679,500 | \$19,291,700 | \$19,291,700 | \$0 | \$19,291,700 |
| State | 5,837,200 | 7,357,200 | 7,357,200 | 0 | 7,357,200 |
| Federal | 6,866,300 | 7,198,100 | 7,198,100 | 0 | 7,198,100 |
| Other | 4,976,000 | 4,736,400 | 4,736,400 | 0 | 4,736,400 |
| 345.17 County Rentals | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 16,222,900 | 20,149,100 | 20,149,100 | 0 | 20,149,100 |
| Total | \$16,222,900 | \$20,149,100 | \$20,149,100 | \$0 | \$20,149,100 |
| State | 4,560,500 | 5,419,000 | 5,419,000 | 0 | 5,419,000 |
| Federal | 5,542,700 | 8,583,900 | 8,583,900 | 0 | 8,583,900 |
| Other | 6,119,700 | 6,146,200 | 6,146,200 | 0 | 6,146,200 |

Adult and Family Services

Family Assistance employees provide temporary cash assistance and other support services for low-income families to enable them to become self-sufficient. The Family Assistance section of Adult and Family Services consists of three programs: Families First, Food Stamp benefits, and Medicaid/TennCare eligibility.

Families First is the state TANF (Temporary Assistance to Needy Families) program which distributes cash grants and provides employment, training, education, and support services for families with financial need and dependent children deprived of support and/or care. The goals of the Families First program are to:

- Provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives
- End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage
- Prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies
- Encourage the formation and maintenance of two-parent families.

The Food Stamp program helps ensure that eligible low-income families and individuals are able to obtain a nutritious diet. The program is the cornerstone of the federal food assistance programs, and provides crucial support to needy households and to those making the transition from welfare to work. The goal of the program is to eliminate hunger and reduce the incidence of food insecurity.

The goal of the Medicaid/TennCare eligibility unit is to determine eligibility for the TennCare program. Clients are assisted through the department's county offices. Special accommodations are made for the elderly, disabled, those with limited English proficiency, or others who need assistance with the application process.

345.23 Temporary Cash Assistance

| | | | | | |
|--------------|----------|----------|----------|----------|----------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 129,675,100 | 125,677,800 | 127,796,400 | 0 | 127,796,400 |
| Total | \$129,675,100 | \$125,677,800 | \$127,796,400 | \$0 | \$127,796,400 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 122,868,000 | 119,602,300 | 121,720,900 | 0 | 121,720,900 |
| Other | 6,807,100 | 6,075,500 | 6,075,500 | 0 | 6,075,500 |

345.25 Food Stamp Coupons

| | | | | | |
|--------------|----------------------|----------------------|----------------------|------------|----------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 524,925,100 | 660,000,000 | 660,000,000 | 0 | 660,000,000 |
| Total | \$524,925,100 | \$660,000,000 | \$660,000,000 | \$0 | \$660,000,000 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 524,925,100 | 660,000,000 | 660,000,000 | 0 | 660,000,000 |
| Other | 0 | 0 | 0 | 0 | 0 |

345.30 Family Assistance Services

| | | | | | |
|--------------|----------------------|----------------------|----------------------|------------|----------------------|
| Full-Time | 1,621 | 1,871 | 1,862 | 0 | 1,862 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 1,621 | 1,871 | 1,862 | 0 | 1,862 |
| Payroll | 61,447,100 | 75,043,400 | 74,760,300 | 0 | 74,760,300 |
| Operational | 88,859,600 | 81,038,700 | 51,302,400 | 0 | 51,302,400 |
| Total | \$150,306,700 | \$156,082,100 | \$126,062,700 | \$0 | \$126,062,700 |
| State | 63,832,800 | 75,738,600 | 70,134,000 | 0 | 70,134,000 |
| Federal | 64,678,800 | 58,350,000 | 33,016,800 | 0 | 33,016,800 |
| Other | 21,795,100 | 21,993,500 | 22,911,900 | 0 | 22,911,900 |

345.35 Disaster Relief

| | | | | | |
|--------------|------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 761,900 | 1,500,000 | 1,500,000 | 0 | 1,500,000 |
| Total | \$761,900 | \$1,500,000 | \$1,500,000 | \$0 | \$1,500,000 |
| State | 190,500 | 0 | 0 | 0 | 0 |
| Federal | 571,400 | 1,500,000 | 1,500,000 | 0 | 1,500,000 |
| Other | 0 | 0 | 0 | 0 | 0 |

Regulatory and protective services, social services, and economic assistance are provided directly and indirectly by employees in the functional areas of child and adult care, adult protective services, and community contract services. Services provided directly include:

- Child care and adult day care licensing
- Protective services for abused and neglected elderly and disabled adults
- Child care assistance for low income, working families.

A variety of social services and economic assistance are provided to citizens through contracts with non-profit agencies across the state. These services include:

- Child and adult day care
- Child care resource and referral services
- Child and adult care and summer food programs
- Tennessee Child Care Facilities Loan Program
- Homemaker services
- Refugee services
- Low-income home energy assistance and weatherization assistance programs
- Emergency shelter grants program
- Emergency and support services to low-income, disabled, and elderly citizens.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|----------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 345.49 Community Services | | | | | |
| Full-Time | 324 | 324 | 299 | 0 | 299 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 324 | 324 | 299 | 0 | 299 |
| Payroll | 12,485,000 | 13,376,900 | 12,631,000 | 0 | 12,631,000 |
| Operational | 306,229,100 | 319,963,100 | 311,036,600 | 0 | 311,036,600 |
| Total | \$318,714,100 | \$333,340,000 | \$323,667,600 | \$0 | \$323,667,600 |
| State | 34,337,700 | 31,689,300 | 26,659,000 | 0 | 26,659,000 |
| Federal | 275,932,700 | 293,012,000 | 289,637,100 | 0 | 289,637,100 |
| Other | 8,443,700 | 8,638,700 | 7,371,500 | 0 | 7,371,500 |

345.50 Child Care Facilities Loan Program

| | | | | | |
|--------------|------------------|------------------|------------------|------------|------------------|
| Full-Time | 2 | 2 | 2 | 0 | 2 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 2 | 2 | 2 | 0 | 2 |
| Payroll | 82,700 | 84,900 | 84,900 | 0 | 84,900 |
| Operational | 368,500 | 100,300 | 100,300 | 0 | 100,300 |
| Total | \$451,200 | \$185,200 | \$185,200 | \$0 | \$185,200 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 183,500 | 95,500 | 95,500 | 0 | 95,500 |
| Other | 267,700 | 89,700 | 89,700 | 0 | 89,700 |

Child Support

The Child Support Program, established in 1975 under Title IV-D of the Social Security Act, has implemented major changes as required by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). Tennessee's Child Support Program is administered by the Department of Human Services through contracts with district attorneys, private vendors, local governments and program staff. Services provided include:

- Locating non-custodial parents
- Establishing paternity
- Establishing and enforcing financial and medical support orders
- Reviewing and adjusting support orders
- Collecting and distributing child support payments.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|-----------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 345.13 Child Support | | | | | |
| Full-Time | 145 | 148 | 165 | 0 | 165 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 145 | 148 | 165 | 0 | 165 |
| Payroll | 4,525,600 | 5,538,300 | 6,087,500 | 0 | 6,087,500 |
| Operational | 65,562,400 | 68,898,700 | 69,793,800 | 24,300 | 69,818,100 |
| Total | \$70,088,000 | \$74,437,000 | \$75,881,300 | \$24,300 | \$75,905,600 |
| State | 14,829,100 | 15,336,100 | 15,121,800 | 8,300 | 15,130,100 |
| Federal | 28,147,300 | 50,415,900 | 39,789,000 | 16,000 | 39,805,000 |
| Other | 27,111,600 | 8,685,000 | 20,970,500 | 0 | 20,970,500 |

Rehabilitation Services

Rehabilitation Services seeks to alleviate barriers to employment and provide quality services to improve the conditions of persons with disabilities. Its primary goal is to place disabled individuals into employment. The following services are provided:

- Vocational rehabilitation services including training, physical restoration, psychological services, counseling and guidance, job development, job placement, and follow-up
- Disability determination to ascertain whether an individual is qualified for disability insurance benefits or supplemental security income benefits from the Social Security Administration
- Rehabilitation for the blind including:
 - (a) Training to promote independent living and adjustment to blindness
 - (b) Management of the Tennessee Blind Business Enterprises program allowing the visually impaired an opportunity to have useful employment as vending stand operators
 - (c) Vocational rehabilitation services for the blind and severely visually impaired.

In addition to the services listed above, Vocational Rehabilitation serves the severely disabled by operating a network of facilities including the Tennessee Rehabilitation Center at Smyrna (a

comprehensive residential rehabilitation facility) and eighteen Community Tennessee Rehabilitation Centers located throughout the state.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 345.70 Vocational Rehabilitation | | | | | |
| Full-Time | 606 | 612 | 605 | 0 | 605 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 606 | 612 | 605 | 0 | 605 |
| Payroll | 21,395,300 | 23,644,600 | 23,420,000 | 0 | 23,420,000 |
| Operational | 63,652,600 | 66,740,000 | 51,571,600 | 0 | 51,571,600 |
| Total | \$85,047,900 | \$90,384,600 | \$74,991,600 | \$0 | \$74,991,600 |
| State | 9,139,600 | 10,624,400 | 7,452,900 | 0 | 7,452,900 |
| Federal | 62,445,000 | 67,089,800 | 55,114,300 | 0 | 55,114,300 |
| Other | 13,463,300 | 12,670,400 | 12,424,400 | 0 | 12,424,400 |
| 345.71 Disability Determination | | | | | |
| Full-Time | 424 | 423 | 423 | 56 | 479 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 424 | 423 | 423 | 56 | 479 |
| Payroll | 13,596,600 | 15,691,200 | 15,691,200 | 1,626,600 | 17,317,800 |
| Operational | 21,406,300 | 21,469,900 | 21,469,900 | 258,000 | 21,727,900 |
| Total | \$35,002,900 | \$37,161,100 | \$37,161,100 | \$1,884,600 | \$39,045,700 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 34,010,000 | 35,585,400 | 35,585,400 | 1,884,600 | 37,470,000 |
| Other | 992,900 | 1,575,700 | 1,575,700 | 0 | 1,575,700 |
| 345.00 Department Total | | | | | |
| Full-Time | 4,109 | 4,373 | 4,350 | 102 | 4,452 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 4,109 | 4,373 | 4,350 | 102 | 4,452 |
| Payroll | 149,761,700 | 174,008,100 | 173,736,400 | 4,404,600 | 178,141,000 |
| Operational | 1,247,295,700 | 1,396,288,600 | 1,344,052,000 | 1,429,200 | 1,345,481,200 |
| Total | \$1,397,057,400 | \$1,570,296,700 | \$1,517,788,400 | \$5,833,800 | \$1,523,622,200 |
| State | 149,074,400 | 165,313,100 | 150,660,800 | 1,342,800 | 152,003,600 |
| Federal | 1,150,659,500 | 1,325,788,800 | 1,276,292,300 | 4,491,000 | 1,280,783,300 |
| Other | 97,323,500 | 79,194,800 | 90,835,300 | 0 | 90,835,300 |

Department of Children's Services

In cooperation with juvenile courts, the Department of Children's Services (DCS) provides timely, appropriate, and cost-effective services for children in state custody or at risk of entering state custody, to enable these children to reach their full potential as productive, competent, and healthy adults.

Administration

Administration provides internal support, leadership, and direction that leads to improved program performance and success in the ultimate goal of re-integration of children into the community. In addition to providing the usual administrative functions, this program also assists in compliance with departmental policies, the Tennessee Code Annotated, and the American Correctional Association standards.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 359.10 Administration | | | | | |
| Full-Time | 413 | 433 | 446 | 17 | 463 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 413 | 433 | 446 | 17 | 463 |
| Payroll | 17,978,300 | 20,228,500 | 20,228,500 | 460,200 | 20,688,700 |
| Operational | 24,159,300 | 27,871,200 | 26,118,900 | 329,700 | 26,448,600 |
| Total | \$42,137,600 | \$48,099,700 | \$46,347,400 | \$789,900 | \$47,137,300 |
| State | 29,944,600 | 24,766,000 | 23,603,700 | 608,500 | 24,212,200 |
| Federal | 8,261,200 | 7,921,700 | 7,678,800 | 41,200 | 7,720,000 |
| Other | 3,931,800 | 15,412,000 | 15,064,900 | 140,200 | 15,205,100 |

Family Support Services

Family Support Services provides services to children who are at risk of coming into state custody. These services are provided to children and families in order for children to successfully remain in their homes. Community involvement is increased through community-based programming such as family preservation. The department also works with juvenile courts to divert youth from incarceration by providing a variety of community-based prevention and intervention services. Some of the services provided include:

- Family preservation services
- Family resource centers
- Healthy Start services
- Child abuse prevention services
- Custody prevention grants to juvenile courts
- Intensive probation services
- Counseling and support
- Child abuse and neglect services.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 359.20 Family Support Services | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 42,747,800 | 42,523,600 | 38,362,200 | 315,500 | 38,677,700 |
| Total | \$42,747,800 | \$42,523,600 | \$38,362,200 | \$315,500 | \$38,677,700 |
| State | 20,669,900 | 27,148,200 | 27,252,100 | 315,500 | 27,567,600 |
| Federal | 19,785,500 | 11,311,300 | 11,060,100 | 0 | 11,060,100 |
| Other | 2,292,400 | 4,064,100 | 50,000 | 0 | 50,000 |

Custody Services

Custody Services ensures children in state custody receive appropriate levels of treatment and care through services provided to children and their families. The goal of this program is to provide needed residential care to children in state custody within a reasonable distance from a child's home and return them home as soon as is appropriate. If a child does not have a home or family to which they can return, then permanent care is provided. The types of services provided include:

- Foster care homes
- Residential treatment programs
- Mental retardation developmental center services
- Psychiatric hospital services
- Counseling and support services.

359.30 Custody Services

| | | | | | |
|--------------|----------------------|----------------------|----------------------|--------------------|----------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 195,738,800 | 214,743,600 | 212,584,900 | 6,294,400 | 218,879,300 |
| Total | \$195,738,800 | \$214,743,600 | \$212,584,900 | \$6,294,400 | \$218,879,300 |
| State | 95,724,900 | 83,854,200 | 83,301,300 | 2,983,200 | 86,284,500 |
| Federal | 19,862,900 | 29,956,900 | 30,151,100 | 565,300 | 30,716,400 |
| Other | 80,151,000 | 100,932,500 | 99,132,500 | 2,745,900 | 101,878,400 |

Adoption Services

Adoption Services provides services to adopted special needs children and their families. Monthly support payments are provided to assist families in adopting and caring for children with special needs. Treatment and support services are also made available as determined by the special needs of each adopted child.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 359.40 Adoption Services | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 23,679,100 | 27,948,700 | 27,739,900 | 2,741,600 | 30,481,500 |
| Total | \$23,679,100 | \$27,948,700 | \$27,739,900 | \$2,741,600 | \$30,481,500 |
| State | 13,611,200 | 14,515,300 | 14,515,300 | 1,664,000 | 16,179,300 |
| Federal | 10,066,900 | 13,356,900 | 13,148,100 | 1,077,600 | 14,225,700 |
| Other | 1,000 | 76,500 | 76,500 | 0 | 76,500 |

Child and Family Management

Child and Family Management provides case management services to children and their families in the most appropriate and timely manner to meet identified intervention, treatment, and placement needs. Case management services consist of assessment of needs, individual case planning and management, and evaluation services. Case management services are provided primarily through DCS staff and through contracts with community services agencies. Case management support is provided through Regional Services Administration, Child and Family Teams, Resource Management, and Court Liaisons. Services provided include:

- Residential case management
- Probation case management
- Child protective case management
- Adoption case management
- Crisis intervention services.

359.50 Child and Family Management

| | | | | | |
|--------------|----------------------|----------------------|----------------------|--------------------|----------------------|
| Full-Time | 2,439 | 2,636 | 2,636 | 34 | 2,670 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 2,439 | 2,636 | 2,636 | 34 | 2,670 |
| Payroll | 75,881,900 | 96,330,700 | 94,266,800 | 1,656,300 | 95,923,100 |
| Operational | 55,432,500 | 55,601,500 | 57,377,600 | 1,698,300 | 59,075,900 |
| Total | \$131,314,400 | \$151,932,200 | \$151,644,400 | \$3,354,600 | \$154,999,000 |
| State | 37,749,300 | 53,260,700 | 53,161,700 | 1,479,200 | 54,640,900 |
| Federal | 22,047,200 | 28,545,000 | 28,574,400 | 144,500 | 28,718,900 |
| Other | 71,517,900 | 70,126,500 | 69,908,300 | 1,730,900 | 71,639,200 |

Youth Development Centers

Youth Development Centers provide individualized treatment programs and services to juvenile offenders contributing to their successful reintegration into society. The Wilder, Woodland Hills, and Mountain View facilities are the three regional youth development centers. Juveniles who are convicted of adult crimes, serious delinquent offenses, or have demonstrated major behavior problems at other institutions are placed at Taft Youth Development Center. These institutions assess and properly care for the needs of juveniles while offering counseling and educational services. Services provided include:

- Drug and alcohol abuse treatment
- Sex abuse/sex offender treatment
- Parental responsibility counseling
- Academic education
- General Educational Development
- Work/study programs
- Special education
- Abuse victimization counseling
- Family counseling
- Medical care
- Remedial reading and math
- Adult basic education
- Vocational training.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 359.60 John S. Wilder Youth Development Center | | | | | |
| Full-Time | 177 | 182 | 182 | 0 | 182 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 177 | 182 | 182 | 0 | 182 |
| Payroll | 6,213,400 | 7,118,600 | 7,118,600 | 5,900 | 7,124,500 |
| Operational | 1,516,400 | 1,623,900 | 1,668,800 | 426,200 | 2,095,000 |
| Total | \$7,729,800 | \$8,742,500 | \$8,787,400 | \$432,100 | \$9,219,500 |
| State | 7,426,400 | 8,476,600 | 8,476,600 | 432,100 | 8,908,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 303,400 | 265,900 | 310,800 | 0 | 310,800 |
| 359.61 Taft Youth Development Center | | | | | |
| Full-Time | 234 | 234 | 234 | 0 | 234 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 234 | 234 | 234 | 0 | 234 |
| Payroll | 8,754,800 | 9,181,700 | 9,181,700 | 6,000 | 9,187,700 |
| Operational | 1,809,000 | 2,096,500 | 2,081,300 | 333,400 | 2,414,700 |
| Total | \$10,563,800 | \$11,278,200 | \$11,263,000 | \$339,400 | \$11,602,400 |
| State | 10,112,200 | 10,804,400 | 10,804,400 | 339,400 | 11,143,800 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 451,600 | 473,800 | 458,600 | 0 | 458,600 |
| 359.62 Woodland Hills Youth Development Center | | | | | |
| Full-Time | 183 | 183 | 183 | 120 | 303 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 183 | 183 | 183 | 120 | 303 |
| Payroll | 6,923,700 | 7,397,400 | 7,397,400 | 1,229,800 | 8,627,200 |
| Operational | 1,978,000 | 2,088,500 | 2,116,800 | 1,026,100 | 3,142,900 |
| Total | \$8,901,700 | \$9,485,900 | \$9,514,200 | \$2,255,900 | \$11,770,100 |
| State | 8,429,300 | 9,024,100 | 9,024,100 | 2,255,900 | 11,280,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 472,400 | 461,800 | 490,100 | 0 | 490,100 |

| | <u>Actual</u> <u>2001-2002</u> | <u>Estimated</u> <u>2002-2003</u> | <u>Base</u> <u>2003-2004</u> | <u>Improvement</u> <u>2003-2004</u> | <u>Recommended</u> <u>2003-2004</u> |
|--|-----------------------------------|--------------------------------------|---------------------------------|--|--|
| 359.63 Mountain View Youth Development Center | | | | | |
| Full-Time | 196 | 196 | 196 | 0 | 196 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 196 | 196 | 196 | 0 | 196 |
| Payroll | 6,471,600 | 7,185,000 | 7,185,000 | 27,200 | 7,212,200 |
| Operational | 2,151,300 | 2,357,200 | 2,386,300 | 350,000 | 2,736,300 |
| Total | \$8,622,900 | \$9,542,200 | \$9,571,300 | \$377,200 | \$9,948,500 |
| State | 8,359,400 | 9,273,500 | 9,273,500 | 377,200 | 9,650,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 263,500 | 268,700 | 297,800 | 0 | 297,800 |

Community Treatment Facilities

DCS operates thirteen group home facilities located across the state which provide minimum security residential programs for youth who have been evaluated and determined appropriate for community placement. The primary focus is to reintegrate the youth into their home community by providing a structured program of academics, community involvement, counseling services, education, and often work experience. Two specialty programs are also provided by DCS. The Observation and Assessment Center in Johnson City provides area juvenile courts with detailed assessments prior to disposition. Lift Academy, a joint effort between DCS and the Carter and Johnson County School Systems, provides a day treatment/alternative school program to divert youth from state custody.

359.65 Community Treatment Facilities

| | | | | | |
|--------------|--------------------|--------------------|--------------------|----------------|--------------------|
| Full-Time | 194 | 194 | 194 | 3 | 197 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 194 | 194 | 194 | 3 | 197 |
| Payroll | 6,946,400 | 7,146,400 | 7,146,400 | 6,400 | 7,152,800 |
| Operational | 2,416,000 | 2,723,000 | 2,637,100 | 0 | 2,637,100 |
| Total | \$9,362,400 | \$9,869,400 | \$9,783,500 | \$6,400 | \$9,789,900 |
| State | 6,663,500 | 6,825,800 | 6,757,800 | 6,400 | 6,764,200 |
| Federal | 28,900 | 0 | 0 | 0 | 0 |
| Other | 2,670,000 | 3,043,600 | 3,025,700 | 0 | 3,025,700 |

Tennessee Preparatory School

Tennessee Preparatory School is a residential school that houses and educates children who are dependent, neglected, or in danger of becoming delinquent.

Students are referred by the Juvenile Court Judge in their home counties. Programs provided include:

- Academic and vocational instruction
- Basic independent living skills instruction
- Counseling
- Social skills instruction
- Health and physical fitness training
- Recreation.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 359.70 Tennessee Preparatory School | | | | | |
| Full-Time | 232 | 174 | 39 | 0 | 39 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 232 | 174 | 39 | 0 | 39 |
| Payroll | 8,362,000 | 7,082,800 | 1,362,900 | 0 | 1,362,900 |
| Operational | 2,031,300 | 2,349,100 | 1,768,800 | 0 | 1,768,800 |
| Total | \$10,393,300 | \$9,431,900 | \$3,131,700 | \$0 | \$3,131,700 |
| State | 7,746,200 | 8,141,200 | 3,042,400 | 0 | 3,042,400 |
| Federal | 2,800 | 0 | 0 | 0 | 0 |
| Other | 2,644,300 | 1,290,700 | 89,300 | 0 | 89,300 |
| 359.80 Major Maintenance | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 420,600 | 420,100 | 420,100 | 0 | 420,100 |
| Total | \$420,600 | \$420,100 | \$420,100 | \$0 | \$420,100 |
| State | 420,600 | 420,100 | 420,100 | 0 | 420,100 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| 359.00 Department Total | | | | | |
| Full-Time | 4,068 | 4,232 | 4,110 | 174 | 4,284 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 4,068 | 4,232 | 4,110 | 174 | 4,284 |
| Payroll | 137,532,100 | 161,671,100 | 153,887,300 | 3,391,800 | 157,279,100 |
| Operational | 354,080,100 | 382,346,900 | 375,262,700 | 13,515,200 | 388,777,900 |
| Total | \$491,612,200 | \$544,018,000 | \$529,150,000 | \$16,907,000 | \$546,057,000 |
| State | 246,857,500 | 256,510,100 | 249,633,000 | 10,461,400 | 260,094,400 |
| Federal | 80,055,400 | 91,091,800 | 90,612,500 | 1,828,600 | 92,441,100 |
| Other | 164,699,300 | 196,416,100 | 188,904,500 | 4,617,000 | 193,521,500 |

Statistical Data Youth Development Centers

| | Wilder 359.60 | Taft 359.61 | Woodland Hills 359.62 | Mountain View 359.63 | Total |
|---------------------------------|--------------------------|------------------------|--------------------------------------|-------------------------------------|--------------|
| Annual Admissions | | | | | |
| 1996-1997 | 305 | 256 | 342 | 319 | 1,222 |
| 1997-1998 | 274 | 265 | 241 | 308 | 1,088 |
| 1998-1999 | 257 | 230 | 227 | 257 | 971 |
| 1999-2000 | 254 | 225 | 215 | 309 | 1,003 |
| 2000-2001 | 237 | 267 | 210 | 288 | 1,002 |
| 2001-2002 | 203 | 196 | 191 | 252 | 842 |
| 2002-2003 | 219 | 250 | 190 | 300 | 959 |
| 2003-2004 | 219 | 250 | 190 | 300 | 959 |
| Annual Releases | | | | | |
| 1996-1997 | 292 | 268 | 155 | 318 | 1,033 |
| 1997-1998 | 280 | 266 | 219 | 333 | 1,098 |
| 1998-1999 | 259 | 250 | 207 | 337 | 1,053 |
| 1999-2000 | 267 | 224 | 194 | 299 | 984 |
| 2000-2001 | 231 | 233 | 162 | 278 | 904 |
| 2001-2002 | 201 | 234 | 122 | 279 | 836 |
| 2002-2003 | 219 | 250 | 130 | 290 | 889 |
| 2003-2004 | 219 | 250 | 130 | 290 | 889 |
| Average Daily Census | | | | | |
| 1996-1997 | 142 | 150 | 142 | 143 | 577 |
| 1997-1998 | 139 | 146 | 140 | 143 | 568 |
| 1998-1999 | 129 | 126 | 143 | 143 | 541 |
| 1999-2000 | 135 | 138 | 142 | 138 | 553 |
| 2000-2001 | 128 | 133 | 144 | 138 | 543 |
| 2001-2002 | 138 | 129 | 141 | 141 | 549 |
| 2002-2003 | 144 | 177 | 144 | 144 | 609 |
| 2003-2004 | 144 | 177 | 144 | 144 | 609 |
| Cost Per Occupancy Day * | | | | | |
| 1996-1997 | \$128.46 | \$157.21 | \$150.04 | \$141.45 | \$144.46 |
| 1997-1998 | \$127.66 | \$158.23 | \$145.21 | \$139.29 | \$142.77 |
| 1998-1999 | \$148.84 | \$191.65 | \$142.48 | \$136.08 | \$153.76 |
| 1999-2000 | \$145.78 | \$186.34 | \$148.93 | \$148.44 | \$157.38 |
| 2000-2001 | \$155.57 | \$211.75 | \$162.54 | \$162.57 | \$172.96 |
| 2001-2002 | \$153.46 | \$224.36 | \$172.97 | \$167.55 | \$178.75 |
| 2002-2003 | \$166.33 | \$174.57 | \$180.48 | \$181.55 | \$175.67 |
| 2003-2004 | \$175.41 | \$179.59 | \$189.53 | \$189.28 | \$183.24 |

* Last column indicates average cost per day for all institutions.

Health and Social Services

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|---|---------------------|------------------------|------------------------|
| Commission on Children and Youth | | | | |
| • Advocacy and Coordination of Services | | | | |
| Advocate TCCY positions on pending state legislation and children's issues | Number of presentations | 92 | 70 | 70 |
| Participate in state and regional committees, task forces, and boards | Number of state and regional committees, task forces, and boards with TCCY representation | 105 | 90 | 90 |
| Prepare and disseminate KIDS COUNT: The State of the Child in Tennessee | Number of publications distributed in Tennessee | 3,900 | 4,900 | 4,900 |
| • Juvenile Justice Programs | | | | |
| Assist the children and youth of Tennessee through the administration of CASA funds | Number of Tennessee children served | 3,800 | 3,800 | 3,800 |
| Assist the children and youth of Tennessee through the administration of federal grants | Number of Tennessee children served | 20,000 | 20,000 | 20,000 |
| Monitor secure juvenile detention facilities, temporary holding resources, jails, and lockups | Yearly average number of visits per facility | 3.2 | 3.2 | 3.2 |
| Provide ombudsman mediation services | Percentage of cases closed | 50% | 50% | 50% |
| • Children's Program Outcome Review Team | | | | |
| Conduct case reviews of children in state custody | Number of children reviewed | 573 | 560 | 560 |
| Commission on Aging and Disability | | | | |
| • Home & Community Based Services - Non-Medicaid | | | | |
| Provide home and community based services | Number of clients served | 1,653 | 1,650 | 1,535 |
| Provide information and assistance | Number of contacts | 14,306 | 15,000 | 15,000 |
| • Home & Community Based Services - Medicaid | | | | |
| Provide home and community based services | Number of clients served | N/A | 2,000 | 2,851 |
| • Guardianship Program | | | | |
| Administer guardianship program | Number of clients served | 438 | 450 | 450 |
| • Older Americans Act Programs for the Elderly | | | | |
| Provide services to the elderly | Number of unduplicated clients served | 33,596 | 34,000 | 34,000 |

Health and Social Services

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|--------------------------|---------------------|------------------------|------------------------|
| • Senior Community Service Employment Program | | | | |
| Facilitate part-time employment | Number of clients served | 390 | 400 | 400 |
| • Nutritious Meals for Needy Elderly | | | | |
| Provide nutritious meals | Number of meals | 3,343,753 | 3,750,000 | 3,750,000 |

Health Services and Development Agency

| | | | | |
|---|--------------------------------------|-----|-----|-----|
| • Certificate of Need Applications | | | | |
| Review Certificate of Need applications | Number of applications reviewed | 117 | 120 | 120 |
| • Progress Reviews | | | | |
| Process progress reviews | Number of progress reviews submitted | 47 | 60 | 60 |

Council of Juvenile and Family Court Judges

| | | | | |
|---|------------------------------------|-----|-----|-----|
| • Judicial and Professional Training | | | | |
| Educate juvenile court staff | Number of conference participants | 325 | 320 | 400 |
| Host judicial education conferences | Number of conference participants | 200 | 200 | 300 |
| Provide training to juvenile justice professionals | Number of seminar participants | 95 | 320 | 140 |
| Train new juvenile court employees | Number of employees trained | 29 | 25 | 25 |
| • Legislation | | | | |
| Provide requested information to legislature | Number of responses to requests | 175 | 120 | 120 |
| • Juvenile Court Information System | | | | |
| Produce and distribute annual report | Number of reports distributed | 500 | 500 | 500 |
| Provide technical assistance to courts | Number of times provided | 25 | 50 | 50 |
| Respond to individual requests for statistics | Number of responses to requests | 20 | 50 | 50 |
| • Public Information and Assistance | | | | |
| Provide information to juvenile courts and citizens | Number of requests for information | 250 | 250 | 250 |

Finance and Administration - TennCare Program

| | | | | |
|--|-----------------------------|--------|--------|--------|
| • TennCare - General Administration | | | | |
| Perform Program Integrity reviews | Number of reviews completed | 19,648 | 18,000 | 30,000 |

Health and Social Services

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|---|---------------------|------------------------|------------------------|
| Process TennCare grievances and appeals | Number of grievances and appeals | 106,818 | 120,000 | 120,000 |
| •TennCare Managed Care Organizations | | | | |
| Provide medical services | Number of Managed Care Organization (MCO) enrollees | 1,478,339 | 1,332,000 | 1,332,000 |
| •TennCare Partners / Behavioral Health | | | | |
| Provide TennCare Partners / Behavioral health services | Number of Behavioral Health Organization (BHO) services delivered to TennCare members | 404,256 | 410,000 | 410,000 |
| •Graduate Medical Education | | | | |
| Provide graduate medical education | Number of medical residents supported | 1,567 | 1,584 | 1,584 |
| •Intermediate Nursing Home Care | | | | |
| Provide intermediate nursing home care | Number of nursing home days provided | 8,549,198 | 8,600,000 | 8,600,000 |
| •Skilled Nursing Home Care | | | | |
| Provide skilled nursing home care | Number of skilled nursing home days provided | 1,233,712 | 1,235,000 | 1,235,000 |
| •Intermediate Care - Mentally Retarded | | | | |
| Provide mental retardation services | Average daily census in Intermediate Care Facilities for the Mentally Retarded (ICF-MR) | 878 | 831 | 761 |
| •Program of All-Inclusive Care for the Elderly | | | | |
| Provide all-inclusive care services to elderly of Hamilton County | Number of people served | 211 | 268 | 268 |
| •Home and Community Based Services (HCBS) | | | | |
| Serve citizens with mental retardation through MR HCBS waivers | Number of enrollees | 4,352 | 4,392 | 4,392 |
| Serve elderly and disabled | Number of enrollees | 550 | 1,986 | 3,421 |
| •Medicare Premiums | | | | |
| Provide Medicare premiums for clients dually eligible for Medicare and Medicaid | Number of insurance premiums paid | 235,444 | 238,000 | 238,000 |
| •Medicare Crossover | | | | |
| Provide patient cost sharing for clients dually eligible for Medicare and Medicaid | Number of claims paid | 6,453,364 | 6,840,000 | 6,840,000 |
| •Dental Services | | | | |
| Provide dental screening | Number of screenings | 93,361 | 130,705 | 130,705 |

Health and Social Services

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--------------------------------|---|---------------------|------------------------|------------------------|
| Provide dental sealants | Number of children served | 23,319 | 32,647 | 32,647 |
| Provide outreach services | Number of children served | 10,000 | 14,000 | 14,000 |
| Provide referral and follow-up | Number of children referred/followed up | 25,490 | 35,290 | 35,290 |

Mental Health and Developmental Disabilities

• Administration and Support Services

| | | | | |
|--------------------------------|----------------------------|--------|--------|--------|
| Provide mental health services | Number of customers served | 39,097 | 49,917 | 49,917 |
|--------------------------------|----------------------------|--------|--------|--------|

• Inpatient Psychiatric Treatment

| | | | | |
|---|---|---------|---------|---------|
| Provide high quality inpatient mental health services | Number of admissions | 10,944 | 11,300 | 11,300 |
| Provide high quality inpatient mental health services | Number of days of inpatient care provided | 359,624 | 368,700 | 368,700 |

• Community Mental Health Services

| | | | | |
|---|----------------------------|--------|--------|--------|
| Provide high quality community mental health services | Number of customers served | 28,153 | 38,987 | 38,987 |
|---|----------------------------|--------|--------|--------|

Finance and Administration - Mental Retardation

• Regional Office Community Services

| | | | | |
|--|---|-----|-----|-----|
| Support community programs and clients | Number of community agencies providing services | 217 | 237 | 257 |
|--|---|-----|-----|-----|

• Developmental Center Services

| | | | | |
|--|----------------------|-----|-----|-----|
| Provide high quality personal care and intensive rehabilitation services | Average daily census | 240 | 227 | 171 |
| Provide residential services and supports | Average daily census | 878 | 831 | 761 |

• Community and Individual Support

| | | | | |
|--|--|--------|--------|--------|
| Provide community settings for clients | Number of clients served in community settings | 12,000 | 12,500 | 12,500 |
| Provide community settings for clients | Numer of contracted community providers | 577 | 600 | 600 |

• Early Intervention

| | | | | |
|-------------------------------------|---------------|-------|-------|-------|
| Provide early intervention services | Number served | 1,100 | 1,100 | 1,100 |
|-------------------------------------|---------------|-------|-------|-------|

• Early Intervention, Part C

| | | | | |
|-------------------------------------|---------------|-----|-----|-----|
| Provide early intervention services | Number served | 500 | 500 | 500 |
|-------------------------------------|---------------|-----|-----|-----|

• Pre-Admission Screening & Resident Review (PASARR)

| | | | | |
|--------------------------------|--------------------------------|-----|-----|-----|
| Perform mandated prescreenings | Number of completed screenings | 100 | 100 | 100 |
|--------------------------------|--------------------------------|-----|-----|-----|

Health and Social Services

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|---|---------------------|------------------------|------------------------|
| Health | | | | |
| • Vital Records | | | | |
| Respond to routine requests for records in a timely manner | Average number of days to respond | 5 | 4 | 4 |
| • Health Care Facilities- Licensure & Certification | | | | |
| Conduct licensure and certification activity | Number of surveys, complaints, plan reviews | 5,786 | 5,925 | 6,025 |
| Monitor civil rights compliance | Number of facilities monitored | 510 | 520 | 530 |
| • Emergency Medical Services | | | | |
| Inspect trauma sites | Number of sites inspected | 9 | 6 | 10 |
| License ambulances and services | Number of ambulances and services licensed | 1,232 | 1,300 | 1,400 |
| License emergency medical services personnel | Number of emergency medical services personnel licensed | 13,863 | 14,500 | 15,200 |
| • Health Care Profs. - Licensure & Certification | | | | |
| Investigate complaints | Number of complaint investigations | 2,175 | 2,400 | 2,600 |
| License health professionals | Number of licensed health professionals | 154,025 | 156,000 | 158,000 |
| • Microbiological Lab Services | | | | |
| Perform micro lab chemistry tests | Number of tests | 902,310 | 1,000,000 | 1,080,000 |
| Perform micro lab tests | Number of tests | 461,111 | 475,000 | 475,000 |
| • Environmental Lab Services | | | | |
| Perform organic analysis | Number of analyses | 36,271 | 38,084 | 39,988 |
| Perform inorganic analysis | Number of analyses | 65,467 | 68,470 | 72,177 |
| Perform lab certifications | Number of lab certifications | 51 | 51 | 42 |
| Perform air audits | Number of air audits | 617 | 579 | 582 |
| • Chronic Renal Services | | | | |
| Provide prevention services for chronic renal disease | Number of health consultations and investigations | 210 | 210 | 200 |
| Provide treatment services for chronic renal disease | Number of renal patients served | 1,150 | 1,250 | 1,250 |
| • Hemophilia Services | | | | |
| Provide prevention services for hemophilia | Number of clinics funded | 5 | 5 | 5 |
| Provide treatment services for hemophilia | Number of patients served | 390 | 390 | 390 |

Health and Social Services

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|---|---------------------|------------------------|------------------------|
| • General Environmental Health Services | | | | |
| Increase sanitation level | Sanitation level scores | 87 | 87 | 87 |
| Provide rabies vaccinations | Number of vaccinations | 945,670 | 950,000 | 950,000 |
| • General Maternal and Child Health Services | | | | |
| Provide child health services | Number of children served | 310,044 | 310,000 | 310,000 |
| Provide women's health services | Number of women served | 21,244 | 22,000 | 22,000 |
| • Family Planning Services | | | | |
| Provide professional training | Number of individuals served | 4,189 | 4,200 | 4,200 |
| Provide clinical services | Number of individuals served | 111,705 | 112,000 | 112,000 |
| Provide community education outreach | Number of individuals served | 101,752 | 102,000 | 102,000 |
| • Genetic Screening Services | | | | |
| Provide genetic screening | Individuals served | 12,363 | 12,500 | 12,500 |
| Provide newborn screening | Individuals served | 79,539 | 81,000 | 81,000 |
| Provide sickle cell screening | Individuals served | 3,571 | 3,600 | 3,600 |
| • Black Health Initiatives | | | | |
| Provide prevention services | Number of individuals receiving case management | 960 | 965 | 965 |
| • Healthy Start Projects | | | | |
| Provide home visiting for families | Number of families served | 1,662 | 1,700 | 1,615 |
| • Children's Special Services | | | | |
| Provide care coordination services | Number of children served | 9,500 | 10,500 | 10,500 |
| Provide comprehensive medical care | Number of children served | 5,110 | 5,200 | 5,200 |
| Provide Parents Encouraging Parents (PEP) family support | Number of new referrals | 1,655 | 2,000 | 2,000 |
| • Immunization Services | | | | |
| Prevention of diseases | Number of doses provided | 1,003,819 | 1,300,000 | 1,300,000 |
| • Sexually Transmitted Disease Services | | | | |
| Provide prevention services for sexually transmitted diseases | Number diagnosed, tested and treated | 261,500 | 270,000 | 270,000 |
| • Tuberculosis Control | | | | |
| Provide prevention and treatment for tuberculosis | Number diagnosed, tested or treated | 185,110 | 234,042 | 216,489 |

Health and Social Services

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|---------------------------------------|---------------------|------------------------|------------------------|
| • AIDS Services | | | | |
| Provide AIDS education | Number educated | 800,500 | 800,500 | 800,500 |
| Provide prevention and treatment services for AIDS | Number tested | 55,000 | 55,000 | 55,000 |
| Provide prevention and treatment services for AIDS | Number diagnosed | 2,100 | 2,100 | 2,100 |
| Provide prevention and treatment services for AIDS | Number treated | 2,500 | 2,700 | 2,700 |
| • TennCare Community Support | | | | |
| Provide advocacy, Families First, EPSDT and dental services to TennCare patients | Number of TennCare enrollees assisted | 600,000 | 600,000 | 600,000 |
| • Traumatic Brain Injury Services | | | | |
| Disseminate information | Number of clients served | 500 | 550 | 550 |
| Establish community programs | Number of programs established | 10 | 11 | 12 |
| • Employee Health Services | | | | |
| Provide medical care | Number of patient encounters | 14,822 | 15,000 | 15,000 |
| • Dental Health Services | | | | |
| Provide dental care | Number of patients treated | 30,356 | 40,000 | 40,000 |
| Facilitate fluoridation | Number of new or upgraded systems | 13 | 20 | 20 |
| Provide prevention information and education | Number of children served | 93,361 | 180,000 | 180,000 |
| • Nutrition Services | | | | |
| Provide nutrition services | Number of patient visits | 17,300 | 20,000 | 20,000 |
| • Community Services | | | | |
| Reduce incidence of disease | Number of clients served (education) | 178,250 | 185,000 | 185,000 |
| Reduce incidence of injury | Number of clients served (education) | 96,750 | 100,000 | 100,000 |
| • Health Access Services | | | | |
| Expand primary care | Number of providers recruited | 16 | 20 | 38 |
| Provide community initiatives | Number of projects | 31 | 47 | 47 |
| • Policy Planning and Assessment | | | | |
| Provide timely response to requests for hospital discharge information | Average number of days to respond | 5 | 5 | 5 |
| Provide timely response to requests for vital statistics | Average number of days to respond | 5 | 4 | 4 |

Health and Social Services

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|---|---------------------|------------------------|------------------------|
| Provide timely response to manpower requests | Average number of days to respond | 4 | 4 | 4 |
| •Epidemiology Services | | | | |
| Develop surveillance systems | Number of systems | 4 | 5 | 5 |
| Provide disease prevention services | Number of health consultations and investigations | 30,000 | 31,000 | 31,000 |
| Provide support for emerging infections | Number of health departments supported | 10 | 10 | 10 |
| Support state laboratory response | Number of labs supported | 3 | 4 | 4 |
| •Women, Infants, & Children (WIC) Services | | | | |
| Provide supplemental food | Number of clients served | 149,125 | 151,000 | 151,000 |
| •Commodity Supplemental Food Services | | | | |
| Provide supplemental food | Participant caseload level | 16,261 | 17,869 | 17,869 |
| •General Local Health Services | | | | |
| Deliver public health services - metro areas | Number of unduplicated patients | 335,591 | 340,000 | 340,000 |
| Deliver public health services - rural areas | Number of unduplicated patients | 469,005 | 475,000 | 475,000 |
| •Alcohol & Drug Prevention Services | | | | |
| Promote drug free lifestyles | Number of programs | 247 | 250 | 250 |
| •Alcohol & Drug Treatment Services | | | | |
| Provide treatment services | Number of bed days | 346,868 | 350,000 | 350,000 |
| •Autopsy Services | | | | |
| Reimburse pathologists for autopsies | Number of autopsies paid | 2,400 | 2,800 | 2,800 |
| •Homeland Security | | | | |
| Assess emergency preparedness and response capabilities | Number of counties assessed | N/A | 95 | 95 |
| Improve networks for response to bioterrorism/epidemiological threats | Number of training sessions/speaking engagements | N/A | 10 | 10 |
| Ensure statewide lab capacity | Number of labs with Biosafety Level 3 equipment | 1 | 3 | 3 |
| Assess health risk information flow | Number of counties assessed | N/A | 95 | 95 |
| Provide distance learning | Number of training sessions | N/A | 12 | 12 |

Health and Social Services

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|-------------------|---------|---------------------|------------------------|------------------------|
|-------------------|---------|---------------------|------------------------|------------------------|

Human Services

• Child Support Enforcement

| | | | | |
|--|--|-------|-------|-------|
| Identify paternity for children born out of wedlock | Percentage of cases in which paternity was established | 68.1% | 73.8% | 77% |
| Increase cases with court orders | Percentage of cases with court orders | 53% | 55% | 57% |
| Increase amount of child support collections by 10% over previous year's collections | Percentage of increase in child support collections over previous year | 18.7% | 10.0% | 10.0% |
| Collect child support payments in a timely manner | Percentage of child support collections current | 44.9% | 48.3% | 50.4% |
| Collect child support payments that are past due | Percentage of arrearage payments received | 47.9% | 49.7% | 54.5% |
| Collect and distribute child support payments | Ratio of cost effectiveness (dollars collected per dollar spent) | 4.85 | 4.99 | 6.16 |

• Families First

| | | | | |
|--------------------------|---|-------|-----|-----|
| Monitor job entry | Percentage of clients in entry jobs | 55.9% | 52% | 57% |
| Monitor job retention | Percentage of clients retaining jobs | 65.8% | 65% | 67% |
| Monitor wage progression | Percentage of clients receiving progressing wages | 20.9% | 21% | 22% |

• Food Stamp Program

| | | | | |
|--|------------------------------------|---------|---------|---------|
| Provide food stamps to all eligible households | Number of households participating | 576,644 | 676,000 | 676,000 |
|--|------------------------------------|---------|---------|---------|

• Emergency Shelter Program

| | | | | |
|--|------------------------------|--------|--------|--------|
| Fund shelters and provide emergency services | Number of facilities | 39 | 39 | 35 |
| Provide services to the homeless | Number of individuals served | 47,570 | 48,000 | 48,000 |

• Refugee Resettlement

| | | | | |
|-------------------------------|---------------------------|-------|-------|-------|
| Provide resettlement services | Number of refugees served | 7,285 | 7,000 | 7,000 |
|-------------------------------|---------------------------|-------|-------|-------|

• Community Services Block Grant (CSBG)

| | | | | |
|-----------------------|---|---------|---------|---------|
| Provide CSBG services | Number of low-income individuals served | 131,000 | 135,000 | 135,000 |
|-----------------------|---|---------|---------|---------|

• Homemaker Services - Non-Federal

| | | | | |
|----------------------------|------------------------------|-----|-------|---|
| Provide homemaker services | Number of individuals served | 440 | 1,000 | 0 |
|----------------------------|------------------------------|-----|-------|---|

• Homemaker Services - Federal

| | | | | |
|----------------------------|------------------------------|-------|-------|-------|
| Provide homemaker services | Number of individuals served | 4,134 | 4,000 | 4,000 |
|----------------------------|------------------------------|-------|-------|-------|

Health and Social Services

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|--|---------------------|------------------------|------------------------|
| • Low Income Home Energy Assistance | | | | |
| Provide energy assistance services | Number of households assisted for cooling | 6,107 | 8,520 | 8,520 |
| Provide energy assistance services | Number of households assisted for heating | 81,073 | 75,000 | 75,000 |
| • Weatherization Program | | | | |
| Provide weatherization assistance | Number of dwelling units served | 2,179 | 2,849 | 2,849 |
| • Child and Adult Nutrition Program | | | | |
| Provide Child and Adult Care Food Program | Number of meals served | 31,465,354 | 33,038,622 | 34,690,533 |
| Provide Summer Food Service Program | Number of meals served | 3,215,690 | 3,247,846 | 3,280,325 |
| • Child Care Services | | | | |
| Increase number of providers receiving training | Number of people completing TN Early Childhood Training Association orientation & advanced courses | 3,568 | 5,500 | 3,500 |
| License child care facilities | Average number of licensed facilities | 3,738 | 3,700 | 3,700 |
| Provide quality child care to income eligible children | Percentage of children in regulated child care subsidized by DHS | 15.8% | 15.4% | 15.4% |
| • Vocational Rehabilitation | | | | |
| Place individuals with disabilities in jobs | Number of placements | 4,812 | 4,800 | 4,000 |
| • Tennessee Rehabilitation Center | | | | |
| Meet casework standards | Number of individuals receiving services | 998 | 900 | 900 |
| • Vocational Training Centers | | | | |
| Provide vocational rehabilitation services | Number of individuals receiving services | 3,717 | 3,500 | 3,500 |
| • Vocational Rehabilitation Teaching | | | | |
| Meet casework standards | Number of individuals receiving services | 1,037 | 1,000 | 1,000 |
| • Vocational Rehabilitation - Independent Living | | | | |
| Meet casework standards | Number of individuals receiving services | 959 | 900 | 900 |
| • Adult Protective Services | | | | |
| Reduce the risk of harm to vulnerable adults | Number of adult protective services reports investigated | 6,156 | 6,700 | 5,700 |
| Reduce the risk of harm to vulnerable adults | Percentage of valid cases with risk reduced | 75% | 75% | 75% |
| Reduce the risk of harm to vulnerable adults | Percentage of investigations initiated within policy timeframes | 94% | 95% | 90% |

Health and Social Services

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|---|---------------------|------------------------|------------------------|
| • Adult Day Care Licensing | | | | |
| Monitor adult day care services | Number of site visits made | 30 | 70 | 70 |
| • Disability Determination | | | | |
| Determine disabilities | Number of disability cases processed | 111,015 | 112,813 | 116,000 |
| • Child Care Facilities Loan Program | | | | |
| Increase number of providers receiving small business training | Number of people completing training | 1,627 | 1,800 | 1,980 |
| Children's Services | | | | |
| • Administration | | | | |
| Reduce staff turnover | Turnover rate for all DCS staff | 18.3% | 17% | 16.5% |
| Reduce staff turnover | Turnover rate for direct case management staff | 22% | 21.5% | 21% |
| Provide needed training and staff development opportunities for DCS staff | Number of DOP and DCS internal training hours completed by DCS staff | 264,130 | 270,000 | 275,000 |
| • Child and Family Non-Custody Support Services | | | | |
| Reduce the number of children entering care | Number of children entering care | 6,944 | 6,900 | 7,000 |
| Increase number of children who receive purchased or tangible services thru Family Support Services | Number of children who received services through FSS | 2,799 | 2,900 | 2,900 |
| • Juvenile Justice Prevention and Intervention | | | | |
| Increase percentage of delinquent youth who are successfully rehabilitated through CIS grants | Percentage of all youth served by CIS grants who are diverted from placement into DCS custody | 84% | 85% | 84% |
| Reduce the number of delinquent commitments | Number of youth adjudicated delinquent | 2,361 | 2,311 | 2,361 |
| • Child Abuse Prevention and Intervention | | | | |
| Prevent neglect and abuse of children by providing primary and secondary prevention services | Number of children served through Child Abuse Prevention programs | 9,726 | 9,800 | 9,700 |
| Protect children from abuse and neglect | Number of abuse/neglect cases reported | 56,335 | 70,418 | 84,500 |
| Protect children from abuse and neglect | Number of abuse/neglect investigations conducted | 33,549 | 41,936 | 42,773 |
| • DCS Foster Homes | | | | |
| Provide care for foster children in the least restrictive placement possible | Percentage of foster children placed with kin network families who are foster parents for the child | 7% | 15% | 20% |

Health and Social Services

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|--|---------------------|------------------------|------------------------|
| Increase DCS foster homes available for children in custody | Number of available DCS foster homes | 1,774 | 1,880 | 1,980 |
| • Residential Contract Services | | | | |
| Increase the percentage of children in DCS custody who are placed within their home region | Percentage of children in DCS custody who are placed within their home region | 74.1% | 78% | 83% |
| Decrease the use of group care for children in DCS custody | Percentage of children in DCS custody who are placed in group care facilities | 28% | 25% | 22% |
| Increase the percentage of children in care that have two or fewer placements | Percentage of children having two or fewer placements not including temporary breaks | N/A | 60% | 75% |
| • Child and Family Custody Support Services | | | | |
| Decrease the number of children in DCS custody | Number of children in DCS custody | 10,103 | 10,003 | 9,903 |
| Increase the number of foster youth receiving educational services through Independent Living Prog. | Number of foster children receiving post-secondary education services through Independent Living | 100 | 109 | 130 |
| Increase the percentage of children in care who are reunified within 12 months | Percentage of children reunified with parents or caregivers within twelve months of latest removal | N/A | 70% | 75% |
| Decrease percentage of children discharged from foster care who re-enter custody within 12 months | Percentage of children who re-enter custody within 12 months after discharge date | N/A | 8% | 5% |
| Provide youth exiting foster care with at least one achievement measure | Percentage of youth who age out, enrolled in or graduated high school, earned GED, or are employed | N/A | 80% | 85% |
| • Relative Care Program | | | | |
| Increase the number of relative caregivers who are provided information and support by the program | Number of children in care of relatives who received services through the caregiver program | 1,191 | 2,000 | 1,800 |
| Increase the number of relative caregivers who are provided information and support by the program | Number of caregivers who received services through the relative caregiver program | 865 | 900 | 800 |
| • Adoption Assistance | | | | |
| Increase the number of children placed for adoption through provision of adoption assistance | Number of children placed who receive adoption assistance | 3,860 | 4,355 | 4,355 |
| Reduce disruptions in adoptive placements | Percentage of adoptive placement disruptions that occur between signing of contract & finalization | N/A | 10% | 6% |
| • Adoption Recruitment-related Services | | | | |
| Increase the number of children who have finalized adoptions | Number of children in DCS guardianship who have finalized adoptions during the fiscal year | 922 | 986 | 1,084 |

Health and Social Services

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|--|---------------------|------------------------|------------------------|
| Decrease the number of children who are waiting for adoptive placements | Number of children in DCS guardianship who are waiting for adoptive placements | 837 | 754 | 679 |
| Increase the number of potential adoptive families | Number of new families approved for adoption and registered with REACT each year | 199 | 211 | 224 |
| Increase percentage of adoptions that are finalized within 6 months of adoptive placement | Percentage of adoptions that become final within 6 months of adoptive placement | N/A | 70% | 80% |
| • Child and Family Management | | | | |
| Stabilize unruly children who are at risk of being placed in state custody | Percentage of children served by Family Crisis Intervention Program without further court action | 96% | 96% | 96% |
| Prevent placement in DCS custody through Family Support Services targeted case management | Number of children who receive services through Family Support Services | 11,390 | 11,500 | 11,500 |
| Prevent placement in DCS custody through Family Support Services targeted case management | Percentage of children served by Family Support Services who are not placed in DCS custody | 95.2% | 95% | 95% |
| Provide annual EPSDT medical screens for each child in DCS custody | Percentage of eligible children who have received annual EPSDT medical screens as of June 30th | 94% | 95% | 96% |
| Provide dental screens for each child in DCS custody | Percentage of eligible children who have received dental screens as of June 30th | 85.4% | 86% | 88% |
| • Youth Development Centers | | | | |
| Treat Youth Development Center students in their home regions | Annual average of out-of-region admissions to Wilder, Woodland Hills and Mountain View | 67 | 64 | 60 |
| • Community Treatment Facilities | | | | |
| Increase the number of delinquent youth who are rehabilitated through the group homes program | Number of youth diverted from YDC care due to placement in a DCS group home | 141 | 179 | 179 |
| Increase the number of delinquent youth who are rehabilitated through the group home program | Number of delinquent youth served through group homes who return home or to their community | 203 | 256 | 256 |

Law, Safety, and Correction

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Law, Safety, and Correction

Recommended Budget, Fiscal Year 2003 – 2004

The agencies and departments which comprise this functional group are responsible for the interpretation and enforcement of the state's laws.

The judicial branch of state government strives to ensure the proper administration of justice within the state and consists of the following agencies:

- The Court System
- Attorney General and Reporter
- District Attorneys General Conference
- District Public Defenders Conference
- Office of the Post-Conviction Defender.

The public's welfare and safety are protected through confinement and control of the state's convicted adult criminal offenders. These activities are executed in the executive branch of government by the following agencies:

- Department of Correction
- Board of Probation and Parole
- Tennessee Corrections Institute
- Tennessee Rehabilitative Initiative in Correction (TRICOR).

The state agencies responsible for regulation and enforcement of the law make up the remainder of the functional group. Law and order, public safety, and security are maintained through the efforts of the following agencies:

- Military Department
- Department of Safety
- Tennessee Bureau of Investigation
- Alcoholic Beverage Commission.

Improvement Highlights

Court System

Funding of the state judges' statutory pay raise is included in the recommended budget. These salary increases are linked to the Consumer Price Index and are required by TCA 8-23-103. As a Constitutional matter, these raises must be funded during the judges' term in office. The cost of a 1.6 percent salary increase is \$370,900.

Also, included in the recommended budget is \$4 million to provide for increased costs of indigent criminal defense and \$300,000 for increased costs of the guardian ad litem program for dependent, neglected, and abused children.

District Attorneys and Public Defenders

An improvement of \$238,600, including \$208,200 from state appropriations, is recommended to annualize the fiscal year 2002-2003 step raises for assistant district attorneys and criminal investigators, based on years of service and experience. Also, the budget recommends \$139,800 to annualize the fiscal year 2002-2003 step raises for assistant public defenders and criminal investigators. The raises were funded in 2002-2003 from the month of eligibility and must be annualized in the succeeding year.

TCA 8-7-201, 8-7-226, 8-7-230, and 8-14-207 required the step raises for 2002-2003. For 2003-2004, step raises are not recommended, because salary increases for other state employees are not funded. The Administration is proposing legislation to suspend the step raises for 2003-2004.

Post-Conviction Defender

Due to a decline of federal habeas corpus casework, the recommended budget includes \$204,600 from state appropriations to fund operational requirements that are no longer

federally reimbursable. For the time being, the caseload has shifted to non-reimbursable issues.

Department of Correction

An improvement of \$5 million is recommended to provide funding for an increase in the number of felons housed in local jails. Improvement funding of \$14.8 million from state appropriations is recommended for two contract-monitoring positions and operational expenditures required for 1,536 inmates at the Whiteville correctional facility, under a second prison service contract with Hardeman County.

The first Hardeman County incarceration agreement and the South Central Correctional Center agreement provide for inflationary increases. Improvement funding of \$1.5 million is recommended for the inflationary increase of these prison service agreements.

An improvement of \$560,000 is recommended to provide funding for 13 nurse positions in order to eliminate the long-term overlap of two staff in one position. These positions are required in order to meet staffing standards in the geriatric unit of the Lois M. DeBerry Special Needs Facility.

Military Department

To strengthen the homeland security functions of the Tennessee Emergency Management Agency, an improvement of \$1.1 million, including \$816,800 from state appropriations, is recommended. This will provide funding for one support position, emergency response equipment, and

networked computer equipment for emergency services coordinators.

The budget includes an improvement of \$241,800, including \$93,000 from state funds, for eight positions required to perform safety inspections and provide routine maintenance for Army and Air National Guard facilities.

Department of Safety

To strengthen the homeland security functions of the department, an improvement of \$4.6 million is recommended. This will provide funding for security systems at driver's license stations, Highway Patrol regional offices, impound lots, and commercial vehicle weigh stations. Also, the improvement will provide funding for the replacement of one irreparable helicopter and four emergency power generators. In addition, this funding will replace one dispatch console and provide four microwave radio links to improve radio communications.

The budget includes an improvement of \$490,600 to provide funding for eight positions and operational expenditures required to comply with state regulations regarding the inspection of vehicles used to transport children to and from day-care facilities.

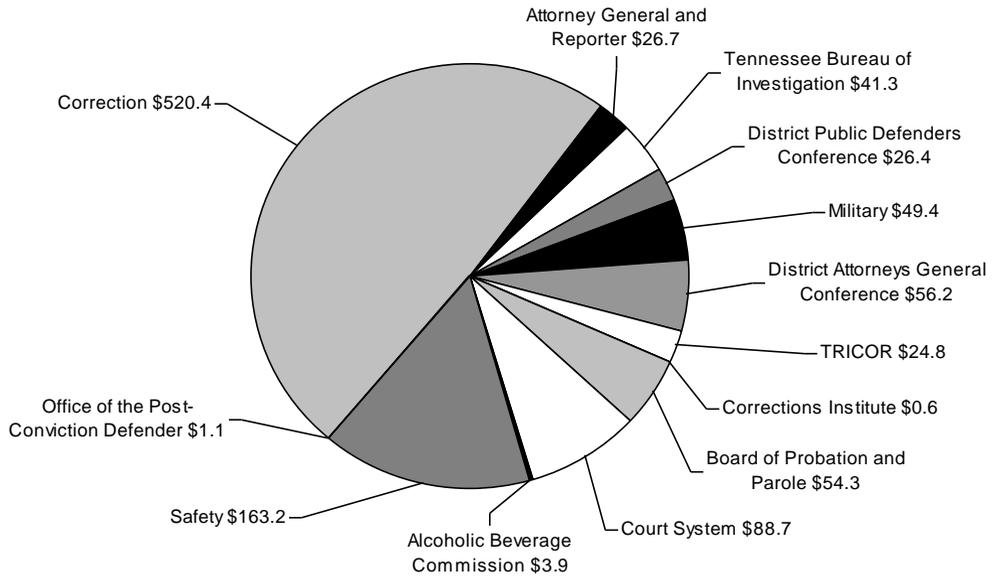
An improvement of \$4.1 million, from dedicated motor vehicle registration fees, is recommended to provide funding for the start-up costs of the new Titling and Registration System (TRUST).

Pursuant to TCA 38-8-111, the budget recommends an improvement of \$157,200 for police pay supplements, which is a training incentive program.

The following graph depicts the manner in which funds are divided among the departments within this functional group. Funding mixes within each department may

vary. Some are exclusively state funded, while others represent state, federal, and other funding.

Law, Safety and Correction FY 2003 - 2004 Recommended



In Millions
\$1,056,669,100 Total

Law, Safety, and Correction Total Personnel and Funding

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Recommended 2003-2004</u> |
|---------------------|-----------------------------|--------------------------------|----------------------------------|
| Personnel | | | |
| Full Time | 11,347 | 11,413 | 11,079 |
| Part Time | 45 | 46 | 38 |
| Seasonal | 12 | 12 | 12 |
| TOTAL | 11,404 | 11,471 | 11,129 |
| Expenditures | | | |
| Payroll | \$468,847,600 | \$519,499,300 | \$502,015,200 |
| Operational | 466,412,100 | 558,240,600 | 554,653,900 |
| TOTAL | \$935,259,700 | \$1,077,739,900 | \$1,056,669,100 |
| Funding | | | |
| State | \$775,576,700 | \$882,500,300 | \$870,949,400 |
| Federal | 41,642,600 | 67,340,500 | 67,144,100 |
| Other | 118,040,400 | 127,899,100 | 118,575,600 |

**Law, Safety and Correction
Improvements for Fiscal Year 2003-2004**

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> | <u>Positions</u> |
|---|--------------------|----------------|--------------|--------------------|------------------|
| Court System | | | | | |
| • Mandated Salary Increase | | | | | |
| To provide funding for the judges' mandated salary increase required by TCA 8-23-103. | | | | | |
| 302.01 Appellate and Trial Courts | \$370,900 | \$0 | \$0 | \$370,900 | 0 |
| Sub-total | \$370,900 | \$0 | \$0 | \$370,900 | 0 |
| • Dependent Children and Indigent Defendants Representation | | | | | |
| To provide funding for an increasing number of attorneys appointed as guardian ad litem for dependent, neglected, and abused children and for representation of indigent criminal defendants. | | | | | |
| 302.09 Guardian ad Litem | \$300,000 | \$0 | \$0 | \$300,000 | 0 |
| 302.10 Indigent Defendants' Counsel | \$4,000,000 | \$0 | \$0 | \$4,000,000 | 0 |
| Sub-total | \$4,300,000 | \$0 | \$0 | \$4,300,000 | 0 |
| Total Court System | \$4,670,900 | \$0 | \$0 | \$4,670,900 | 0 |

District Attorneys General Conference

| | | | | | |
|---|------------------|------------|-----------------|------------------|----------|
| • Statutory Step Raises - Annualize 2002-2003 Raises | | | | | |
| To annualize funding appropriated in fiscal year 2002-2003 for assistant district attorneys' and criminal investigators' mandated step raises, required by TCA 8-7-201, 8-7-226, and 8-7-230. These raises are funded each year from the month of eligibility for the step, and, thus, must be annualized in the succeeding year. | | | | | |
| 304.01 District Attorneys General | \$208,200 | \$0 | \$6,100 | \$214,300 | 0 |
| 304.15 IV-D Child Support Enforcement | \$0 | \$0 | \$24,300 | \$24,300 | 0 |
| Sub-total | \$208,200 | \$0 | \$30,400 | \$238,600 | 0 |
| Total District Attorneys General Conference | \$208,200 | \$0 | \$30,400 | \$238,600 | 0 |

District Public Defenders Conference

| | | | | | |
|--|------------------|------------|------------|------------------|----------|
| • Statutory Step Raises - Annualize 2002-2003 Raises | | | | | |
| To annualize funding appropriated in fiscal year 2002-2003 for assistant public defenders' and criminal investigators' mandated step raises, required by TCA 8-14-207. These raises are funded each year from the month of eligibility for the step, and, thus, must be annualized in the succeeding year. | | | | | |
| 306.01 District Public Defenders | \$139,800 | \$0 | \$0 | \$139,800 | 0 |
| Sub-total | \$139,800 | \$0 | \$0 | \$139,800 | 0 |
| Total District Public Defenders Conference | \$139,800 | \$0 | \$0 | \$139,800 | 0 |

**Law, Safety and Correction
Improvements for Fiscal Year 2003-2004**

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> | <u>Positions</u> |
|--|---|--------------------|--------------|--------------|------------------|
| Office of the Post-Conviction Defender | | | | | |
| • Indigent Defense | To fund the operating requirements of the Office of the Post-Conviction Defender resulting from the loss of federal funds. The workload has shifted from federal habeas corpus cases to other types of cases that are not federally reimbursable. | | | | |
| 308.00 Office of the Post-Conviction Defender | \$204,600 | (\$204,600) | \$0 | \$0 | 0 |
| Sub-total | <u>\$204,600</u> | <u>(\$204,600)</u> | <u>\$0</u> | <u>\$0</u> | <u>0</u> |
| Total Office of the Post-Conviction Defender | \$204,600 | (\$204,600) | \$0 | \$0 | 0 |

Correction

| | | | | | |
|---|--|------------|-----------------|---------------------|----------|
| • Local Jails | To provide funding to accommodate an increased felon population in local jails. | | | | |
| 329.04 State Prosecutions | \$5,000,000 | \$0 | \$0 | \$5,000,000 | 0 |
| Sub-total | <u>\$5,000,000</u> | <u>\$0</u> | <u>\$0</u> | <u>\$5,000,000</u> | <u>0</u> |
| • Capacity Increase | To provide funding for operational expenses and two monitoring positions required for housing 1,536 inmates at the Whiteville correctional facility, under a prison service agreement with Hardeman County. | | | | |
| 329.22 Hardeman County Agreement - Whiteville | \$14,835,200 | \$0 | \$18,700 | \$14,853,900 | 2 |
| Sub-total | <u>\$14,835,200</u> | <u>\$0</u> | <u>\$18,700</u> | <u>\$14,853,900</u> | <u>2</u> |
| • Operating Increase | To provide funding for operational costs of prison service agreements. The Hardeman County incarceration agreement provides for a 2.5% increase, based on a three year average of the Consumer Price Index increase; and the South Central Correctional Center agreement requires a fixed increase of 3.25%. | | | | |
| 329.21 Hardeman County Incarceration Agreement | \$324,800 | \$0 | \$0 | \$324,800 | 0 |
| 329.44 South Central Correctional Center | \$1,223,300 | \$0 | \$0 | \$1,223,300 | 0 |
| Sub-total | <u>\$1,548,100</u> | <u>\$0</u> | <u>\$0</u> | <u>\$1,548,100</u> | <u>0</u> |

Law, Safety and Correction Improvements for Fiscal Year 2003-2004

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> | <u>Positions</u> |
|---|---------------------|----------------|-----------------|---------------------|------------------|
| • Eliminate Overlaps | | | | | |
| To provide funding for additional nurse positions in order to eliminate the long-term overlap of two personnel in one authorized position. This increases the overappropriation by an offsetting amount. The additional positions are required in order to meet staffing standards in the geriatric unit. | | | | | |
| 329.46 Lois M. DeBerry Special Needs Facility | \$560,000 | \$0 | \$0 | \$560,000 | 13 |
| Sub-total | \$560,000 | \$0 | \$0 | \$560,000 | 13 |
| Total Correction | \$21,943,300 | \$0 | \$18,700 | \$21,962,000 | 15 |

Military

| | | | | | |
|---|------------------|------------------|------------|--------------------|----------|
| • Homeland Security | | | | | |
| To provide funding for emergency response equipment, computer equipment, and network access for emergency services coordinators and funding for one support position. | | | | | |
| 341.04 Tennessee Emergency Management Agency | \$816,800 | \$255,300 | \$0 | \$1,072,100 | 1 |
| Sub-total | \$816,800 | \$255,300 | \$0 | \$1,072,100 | 1 |
| • Facilities | | | | | |
| To provide funding for eight additional maintenance and safety positions for military facilities and for operational costs resulting from a loss of federal funds. | | | | | |
| 341.02 Army National Guard | \$30,200 | \$0 | \$0 | \$30,200 | 1 |
| 341.03 Air National Guard | \$62,800 | \$148,800 | \$0 | \$211,600 | 7 |
| Sub-total | \$93,000 | \$148,800 | \$0 | \$241,800 | 8 |
| Total Military | \$909,800 | \$404,100 | \$0 | \$1,313,900 | 9 |

Safety

| | | | | | |
|---|-------------|-----|-----|-------------|---|
| • Homeland Security | | | | | |
| To provide funding for homeland security needs, including microwave radio links; emergency power generators; replacement of one dispatch console; security systems for drivers license stations, Highway Patrol regional offices, impound lots, and commercial vehicle weigh stations; and replacement of one irreparable helicopter. | | | | | |
| 349.02 Driver License Issuance | \$650,000 | \$0 | \$0 | \$650,000 | 0 |
| 349.03 Highway Patrol | \$3,991,500 | \$0 | \$0 | \$3,991,500 | 0 |
| Sub-total | \$4,641,500 | \$0 | \$0 | \$4,641,500 | 0 |

Law, Safety and Correction Improvements for Fiscal Year 2003-2004

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> | <u>Positions</u> |
|---|---------------------|------------------|-----------------|---------------------|------------------|
| • Pupil Transportation | | | | | |
| To provide funding for six additional school bus inspector positions, one training position, and one administrative support position for the additional workload required by Department of Human Services rules. Under the new rules, all vehicles that transport children to and from day-care facilities must pass annual safety inspections beginning January 1, 2004. | | | | | |
| 349.03 Highway Patrol | \$462,900 | \$0 | \$0 | \$462,900 | 8 |
| 349.07 Motor Vehicle Operations | \$27,700 | \$0 | \$0 | \$27,700 | 0 |
| Sub-total | \$490,600 | \$0 | \$0 | \$490,600 | 8 |
| • Titling and Registration System | | | | | |
| To provide funding from dedicated motor vehicle registration fees to fund the start-up costs of the new Titling and Registration (TRUST) system. | | | | | |
| 349.11 Titling and Registration | \$4,100,000 | \$0 | \$0 | \$4,100,000 | 0 |
| Sub-total | \$4,100,000 | \$0 | \$0 | \$4,100,000 | 0 |
| • Police Pay Supplement | | | | | |
| To fund the police pay supplement under the Peace Officer Standards and Training (P.O.S.T.) program, pursuant to TCA 38-8-111. | | | | | |
| 349.10 P.O.S.T. Commission | \$157,200 | \$0 | \$0 | \$157,200 | 0 |
| Sub-total | \$157,200 | \$0 | \$0 | \$157,200 | 0 |
| Total Safety | \$9,389,300 | \$0 | \$0 | \$9,389,300 | 8 |
| Total Law, Safety and Correction | \$37,465,900 | \$199,500 | \$49,100 | \$37,714,500 | 32 |

Court System

The Judicial Branch is one of three basic divisions of state government and serves as a check on the powers of the Legislative and Executive Branches. Judicial power is vested in the various levels of courts that compose the state's court system. The court system can be grouped into the following functional areas:

- The Supreme Court
- Intermediate Appellate Courts
- Trial Courts
- Courts of limited jurisdiction
- Court services and support.

The Supreme Court is composed of five justices; each is elected to an eight-year term. The workload of the court consists of cases appealed from lower courts. Cases may be further appealed to the U.S. Supreme Court only on grounds of federal constitutionality. Supreme Court decisions act to resolve controversies arising out of Tennessee law and to establish guidelines for the lower courts to use in future decisions.

The Intermediate Appellate Courts are composed of the Court of Appeals and the Court of Criminal Appeals. The Court of Appeals hears appeals only in civil cases from the lower courts. The Court of Criminal Appeals has jurisdiction to hear most felony and misdemeanor appeals from general trial courts as well as post-conviction petitions.

The state's trial courts include Chancery, Criminal, Circuit and Probate Courts. Chancery Courts are the traditional equity courts used when common law and/or statutory law proves inadequate for cases. Circuit Courts, which sometimes overlap with the Chancery Courts, have jurisdiction to hear civil and criminal cases. Criminal Courts have jurisdiction over criminal cases and hearing misdemeanor appeals from lower courts. Probate Courts primarily have jurisdiction over probate of wills and administration of estates.

Courts of limited jurisdiction are funded locally and include General Sessions, Juvenile and Municipal Courts. Jurisdiction of General Sessions Courts vary from county to county based on state laws and private acts; they hear civil, criminal, and juvenile cases, except in counties where the legislature has established separate Juvenile Courts. Municipal Courts have jurisdiction in cases involving violations of city ordinances.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 302.01 Appellate and Trial Courts | | | | | |
| Full-Time | 431 | 431 | 431 | 0 | 431 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 431 | 431 | 431 | 0 | 431 |
| Payroll | 38,832,400 | 39,769,900 | 39,769,900 | 370,900 | 40,140,800 |
| Operational | 2,294,200 | 2,569,000 | 2,529,000 | 0 | 2,529,000 |
| Total | \$41,126,600 | \$42,338,900 | \$42,298,900 | \$370,900 | \$42,669,800 |
| State | 41,025,200 | 42,311,600 | 42,271,600 | 370,900 | 42,642,500 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 101,400 | 27,300 | 27,300 | 0 | 27,300 |

Court Services and Support

The Administrative Office of the Courts, under leadership of its director, provides services and support to the entire state court system. It is responsible for preparation and oversight of the Court System's budget, administration of the Court Automation Fund and Tennessee Court Information System (TnCIS), and providing services and support to justices, judges, programs and committees.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 302.27 Administrative Office of the Courts | | | | | |
| Full-Time | 80 | 76 | 76 | 0 | 76 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 80 | 76 | 76 | 0 | 76 |
| Payroll | 3,780,700 | 4,054,400 | 4,054,400 | 0 | 4,054,400 |
| Operational | 4,001,900 | 7,533,600 | 6,633,000 | 0 | 6,633,000 |
| Total | \$7,782,600 | \$11,588,000 | \$10,687,400 | \$0 | \$10,687,400 |
| State | 7,068,400 | 10,929,600 | 10,308,700 | 0 | 10,308,700 |
| Federal | 123,900 | 200,000 | 200,000 | 0 | 200,000 |
| Other | 590,300 | 458,400 | 178,700 | 0 | 178,700 |

Other programs in this functional area include:

- Operation of three Supreme Court buildings and law libraries across the state
- Child Support Referees who ensure the timely fulfillment of financial support by parents to their children
- Guardian Ad Litem which provides legal representation for children involved in custodial disputes
- Indigent Defendants' Counsel and the Civil Legal Representation Fund which provide legal representation for those who cannot afford counsel
- Court reporting and verbatim transcripts
- Board of Law Examiners which determines the fitness of applicants for licensing to practice in Tennessee
- Board of Professional Responsibility which is responsible for reviewing and investigating allegations of attorney misconduct and for imposing disciplinary action
- Tennessee Lawyers Assistance Program which provides education to the bench and bar and provides assistance to members of the legal profession suffering from physical or mental disabilities that impair their ability to practice or serve
- Tennessee Commission on Continuing Legal Education and Specialization which has general supervisory authority over the administration of mandatory continuing legal education
- Tennessee Lawyers' Fund for Client Protection which reimburses claimants for losses caused by any misconduct by lawyers licensed to practice in Tennessee.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 302.05 Supreme Court Buildings | | | | | |
| Full-Time | 16 | 16 | 16 | 0 | 16 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 16 | 16 | 16 | 0 | 16 |
| Payroll | 500,600 | 492,200 | 537,300 | 0 | 537,300 |
| Operational | 1,996,800 | 2,046,800 | 2,001,700 | 0 | 2,001,700 |
| Total | \$2,497,400 | \$2,539,000 | \$2,539,000 | \$0 | \$2,539,000 |
| State | 1,873,900 | 1,927,500 | 1,927,500 | 0 | 1,927,500 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 623,500 | 611,500 | 611,500 | 0 | 611,500 |
| 302.08 Child Support Referees | | | | | |
| Full-Time | 18 | 18 | 18 | 0 | 18 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 18 | 18 | 18 | 0 | 18 |
| Payroll | 842,200 | 988,600 | 988,600 | 0 | 988,600 |
| Operational | 91,900 | 140,900 | 140,900 | 0 | 140,900 |
| Total | \$934,100 | \$1,129,500 | \$1,129,500 | \$0 | \$1,129,500 |
| State | 317,400 | 370,700 | 370,700 | 0 | 370,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 616,700 | 758,800 | 758,800 | 0 | 758,800 |
| 302.09 Guardian ad Litem | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 977,400 | 1,477,700 | 1,177,700 | 300,000 | 1,477,700 |
| Total | \$977,400 | \$1,477,700 | \$1,177,700 | \$300,000 | \$1,477,700 |
| State | 977,400 | 1,477,700 | 1,177,700 | 300,000 | 1,477,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| 302.10 Indigent Defendants' Counsel | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 14,897,700 | 16,898,900 | 12,898,900 | 4,000,000 | 16,898,900 |
| Total | \$14,897,700 | \$16,898,900 | \$12,898,900 | \$4,000,000 | \$16,898,900 |
| State | 14,892,500 | 16,893,900 | 12,893,900 | 4,000,000 | 16,893,900 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 5,200 | 5,000 | 5,000 | 0 | 5,000 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 302.11 Civil Legal Representation Fund | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 3,128,700 | 3,327,900 | 3,327,900 | 0 | 3,327,900 |
| Total | \$3,128,700 | \$3,327,900 | \$3,327,900 | \$0 | \$3,327,900 |
| State | 3,128,700 | 3,327,900 | 3,327,900 | 0 | 3,327,900 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| 302.12 Verbatim Transcripts | | | | | |
| Full-Time | 56 | 56 | 56 | 0 | 56 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 56 | 56 | 56 | 0 | 56 |
| Payroll | 2,165,100 | 2,330,200 | 2,330,200 | 0 | 2,330,200 |
| Operational | 1,128,000 | 1,073,300 | 1,073,300 | 0 | 1,073,300 |
| Total | \$3,293,100 | \$3,403,500 | \$3,403,500 | \$0 | \$3,403,500 |
| State | 3,293,100 | 3,403,500 | 3,403,500 | 0 | 3,403,500 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| 302.15 Tennessee State Law Libraries | | | | | |
| Full-Time | 4 | 4 | 4 | 0 | 4 |
| Part-Time | 2 | 2 | 2 | 0 | 2 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 6 | 6 | 6 | 0 | 6 |
| Payroll | 156,700 | 242,800 | 242,800 | 0 | 242,800 |
| Operational | 423,300 | 302,100 | 292,100 | 0 | 292,100 |
| Total | \$580,000 | \$544,900 | \$534,900 | \$0 | \$534,900 |
| State | 572,200 | 524,900 | 524,900 | 0 | 524,900 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 7,800 | 20,000 | 10,000 | 0 | 10,000 |
| 302.18 Judicial Conference | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 179,600 | 249,500 | 59,500 | 0 | 59,500 |
| Total | \$179,600 | \$249,500 | \$59,500 | \$0 | \$59,500 |
| State | 45,600 | 50,000 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 134,000 | 199,500 | 59,500 | 0 | 59,500 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 302.20 Judicial Programs and Commissions | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 632,500 | 660,400 | 480,100 | 0 | 480,100 |
| Total | \$632,500 | \$660,400 | \$480,100 | \$0 | \$480,100 |
| State | 315,100 | 465,100 | 440,100 | 0 | 440,100 |
| Federal | 14,500 | 0 | 0 | 0 | 0 |
| Other | 302,900 | 195,300 | 40,000 | 0 | 40,000 |
| 302.22 State Court Clerks' Conference | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 179,400 | 177,400 | 177,400 | 0 | 177,400 |
| Total | \$179,400 | \$177,400 | \$177,400 | \$0 | \$177,400 |
| State | 176,400 | 177,400 | 177,400 | 0 | 177,400 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 3,000 | 0 | 0 | 0 | 0 |
| 302.30 Appellate Court Clerks | | | | | |
| Full-Time | 32 | 32 | 32 | 0 | 32 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 32 | 32 | 32 | 0 | 32 |
| Payroll | 1,280,100 | 1,422,000 | 1,422,000 | 0 | 1,422,000 |
| Operational | 323,500 | 434,100 | 404,100 | 0 | 404,100 |
| Total | \$1,603,600 | \$1,856,100 | \$1,826,100 | \$0 | \$1,826,100 |
| State | 0 | 330,200 | 300,200 | 0 | 300,200 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,603,600 | 1,525,900 | 1,525,900 | 0 | 1,525,900 |
| 302.35 Board of Law Examiners | | | | | |
| Full-Time | 17 | 13 | 13 | 0 | 13 |
| Part-Time | 7 | 7 | 7 | 0 | 7 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 24 | 20 | 20 | 0 | 20 |
| Payroll | 262,300 | 313,900 | 313,900 | 0 | 313,900 |
| Operational | 240,300 | 268,700 | 268,700 | 0 | 268,700 |
| Total | \$502,600 | \$582,600 | \$582,600 | \$0 | \$582,600 |
| State | 502,600 | 582,600 | 582,600 | 0 | 582,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 302.40 Board of Professional Responsibility | | | | | |
| Full-Time | 0 | 20 | 20 | 0 | 20 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 20 | 20 | 0 | 20 |
| Payroll | 0 | 1,376,600 | 1,376,600 | 0 | 1,376,600 |
| Operational | 0 | 630,000 | 630,000 | 0 | 630,000 |
| Total | \$0 | \$2,006,600 | \$2,006,600 | \$0 | \$2,006,600 |
| State | 0 | 2,006,600 | 2,006,600 | 0 | 2,006,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| 302.50 Tennessee Lawyers Assistance Program | | | | | |
| Full-Time | 0 | 2 | 2 | 0 | 2 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 2 | 2 | 0 | 2 |
| Payroll | 0 | 151,600 | 151,600 | 0 | 151,600 |
| Operational | 0 | 57,500 | 57,500 | 0 | 57,500 |
| Total | \$0 | \$209,100 | \$209,100 | \$0 | \$209,100 |
| State | 0 | 209,100 | 209,100 | 0 | 209,100 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| 302.60 Continuing Legal Education | | | | | |
| Full-Time | 0 | 4 | 4 | 0 | 4 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 4 | 4 | 0 | 4 |
| Payroll | 0 | 258,000 | 258,000 | 0 | 258,000 |
| Operational | 0 | 175,000 | 175,000 | 0 | 175,000 |
| Total | \$0 | \$433,000 | \$433,000 | \$0 | \$433,000 |
| State | 0 | 433,000 | 433,000 | 0 | 433,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| 302.65 Client Protection Fund | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 0 | 208,500 | 208,500 | 0 | 208,500 |
| Total | \$0 | \$208,500 | \$208,500 | \$0 | \$208,500 |
| State | 0 | 208,500 | 208,500 | 0 | 208,500 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

| | <u>Actual</u> <u>2001-2002</u> | <u>Estimated</u> <u>2002-2003</u> | <u>Base</u> <u>2003-2004</u> | <u>Improvement</u> <u>2003-2004</u> | <u>Recommended</u> <u>2003-2004</u> |
|--------------------------------|-----------------------------------|--------------------------------------|---------------------------------|--|--|
| 302.00 Department Total | | | | | |
| Full-Time | 654 | 672 | 672 | 0 | 672 |
| Part-Time | 9 | 9 | 9 | 0 | 9 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 663 | 681 | 681 | 0 | 681 |
| Payroll | 47,820,100 | 51,400,200 | 51,445,300 | 370,900 | 51,816,200 |
| Operational | 30,495,200 | 38,231,300 | 32,535,300 | 4,300,000 | 36,835,300 |
| Total | \$78,315,300 | \$89,631,500 | \$83,980,600 | \$4,670,900 | \$88,651,500 |
| State | 74,188,500 | 85,629,800 | 80,563,900 | 4,670,900 | 85,234,800 |
| Federal | 138,400 | 200,000 | 200,000 | 0 | 200,000 |
| Other | 3,988,400 | 3,801,700 | 3,216,700 | 0 | 3,216,700 |

Attorney General and Reporter

The Attorney General and Reporter is the state's chief legal officer. The Attorney General is appointed by the Justices of the Tennessee Supreme Court for a term of eight years.

The Attorney General and his staff have the following responsibilities:

- Representing state officers and agencies in all litigation in state and federal courts
- Prosecuting criminal cases in the appellate courts
- Prosecuting in the areas of securities and state contract fraud
- Representing the interests of Tennessee consumers
- Instituting proceedings relating to antitrust violations, consumer fraud, and environmental enforcement
- Providing departments, agencies, and the General Assembly with legal advice
- Approving all administrative regulations and leases as to form and legality
- Issuing opinions on legal issues to state officials.

Functioning as the State Reporter, the Attorney General publishes the Attorney General opinions and reports the opinions of the Tennessee Supreme Court and Court of Appeals.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 303.01 Attorney General and Reporter | | | | | |
| Full-Time | 307 | 317 | 317 | 0 | 317 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 307 | 317 | 317 | 0 | 317 |
| Payroll | 15,198,200 | 19,119,000 | 19,119,000 | 0 | 19,119,000 |
| Operational | 5,309,100 | 6,752,300 | 6,419,200 | 0 | 6,419,200 |
| Total | \$20,507,300 | \$25,871,300 | \$25,538,200 | \$0 | \$25,538,200 |
| State | 12,706,400 | 15,135,500 | 14,802,400 | 0 | 14,802,400 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 7,800,900 | 10,735,800 | 10,735,800 | 0 | 10,735,800 |
| 303.05 Publication of Tennessee Reports | | | | | |
| Full-Time | 2 | 2 | 2 | 0 | 2 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 2 | 2 | 2 | 0 | 2 |
| Payroll | 73,700 | 77,500 | 77,500 | 0 | 77,500 |
| Operational | 112,500 | 112,000 | 62,000 | 0 | 62,000 |
| Total | \$186,200 | \$189,500 | \$139,500 | \$0 | \$139,500 |
| State | 186,200 | 189,500 | 139,500 | 0 | 139,500 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|----------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 303.08 Special Litigation | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 3,132,800 | 1,804,200 | 972,500 | 0 | 972,500 |
| Total | \$3,132,800 | \$1,804,200 | \$972,500 | \$0 | \$972,500 |
| State | 123,700 | 188,500 | 188,500 | 0 | 188,500 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 3,009,100 | 1,615,700 | 784,000 | 0 | 784,000 |
| 303.00 Department Total | | | | | |
| Full-Time | 309 | 319 | 319 | 0 | 319 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 309 | 319 | 319 | 0 | 319 |
| Payroll | 15,271,900 | 19,196,500 | 19,196,500 | 0 | 19,196,500 |
| Operational | 8,554,400 | 8,668,500 | 7,453,700 | 0 | 7,453,700 |
| Total | \$23,826,300 | \$27,865,000 | \$26,650,200 | \$0 | \$26,650,200 |
| State | 13,016,300 | 15,513,500 | 15,130,400 | 0 | 15,130,400 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 10,810,000 | 12,351,500 | 11,519,800 | 0 | 11,519,800 |

District Attorneys General Conference

District Attorneys General are elected for each of the state's thirty-one judicial districts and serve terms of eight years. They are the state's prosecutors for all violations of state criminal statutes. In addition, they prosecute all criminal cases in the federal courts that are removed from a state court and give opinions to county officials on criminal law relating to their office. Further, District Attorneys and their assistants consult with and advise law enforcement agencies on cases or investigations within their district. In nineteen judicial districts, the District Attorney is contracted with the Department of Human Services to enforce court-ordered child support obligations through the IV-D Child Support Enforcement Program.

The executive director is elected by the District Attorneys General Conference every four years. The director is a member of the Judicial Council and the Law Enforcement Planning Commission. The duties of the director's staff are as follows:

- Act as liaison with other agencies, the Legislature, and Office of the Attorney General
- Coordinate multi-district prosecution
- Assist in prosecution efforts
- Provide continuing education for the conference
- Provide automation support to the conference
- Provide administrative, budgeting, accounting/fiscal, payroll, personnel and property management functions for the conference
- Coordinate and manage grants received from the federal government and other state agencies.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 304.01 District Attorneys General | | | | | |
| Full-Time | 606 | 598 | 521 | 0 | 521 |
| Part-Time | 1 | 2 | 1 | 0 | 1 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 607 | 600 | 522 | 0 | 522 |
| Payroll | 41,334,200 | 44,282,600 | 41,014,400 | 214,300 | 41,228,700 |
| Operational | 3,429,900 | 3,557,800 | 2,749,600 | 0 | 2,749,600 |
| Total | \$44,764,100 | \$47,840,400 | \$43,764,000 | \$214,300 | \$43,978,300 |
| State | 40,687,000 | 43,380,400 | 42,140,400 | 208,200 | 42,348,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 4,077,100 | 4,460,000 | 1,623,600 | 6,100 | 1,629,700 |
| 304.05 District Attorneys General Conference | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 340,200 | 496,400 | 286,500 | 0 | 286,500 |
| Total | \$340,200 | \$496,400 | \$286,500 | \$0 | \$286,500 |
| State | 170,800 | 248,400 | 197,500 | 0 | 197,500 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 169,400 | 248,000 | 89,000 | 0 | 89,000 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 304.10 Executive Director | | | | | |
| Full-Time | 18 | 20 | 19 | 0 | 19 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 18 | 20 | 19 | 0 | 19 |
| Payroll | 1,036,900 | 1,223,000 | 1,194,100 | 0 | 1,194,100 |
| Operational | 149,200 | 456,200 | 443,100 | 0 | 443,100 |
| Total | \$1,186,100 | \$1,679,200 | \$1,637,200 | \$0 | \$1,637,200 |
| State | 1,001,100 | 1,081,400 | 1,109,000 | 0 | 1,109,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 185,000 | 597,800 | 528,200 | 0 | 528,200 |
| 304.15 IV-D Child Support Enforcement | | | | | |
| Full-Time | 237 | 237 | 212 | 0 | 212 |
| Part-Time | 2 | 2 | 2 | 0 | 2 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 239 | 239 | 214 | 0 | 214 |
| Payroll | 8,678,600 | 9,064,600 | 8,175,500 | 24,300 | 8,199,800 |
| Operational | 2,021,600 | 2,204,300 | 2,112,300 | 0 | 2,112,300 |
| Total | \$10,700,200 | \$11,268,900 | \$10,287,800 | \$24,300 | \$10,312,100 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 100 | 0 | 0 | 0 | 0 |
| Other | 10,700,100 | 11,268,900 | 10,287,800 | 24,300 | 10,312,100 |
| 304.00 Department Total | | | | | |
| Full-Time | 861 | 855 | 752 | 0 | 752 |
| Part-Time | 3 | 4 | 3 | 0 | 3 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 864 | 859 | 755 | 0 | 755 |
| Payroll | 51,049,700 | 54,570,200 | 50,384,000 | 238,600 | 50,622,600 |
| Operational | 5,940,900 | 6,714,700 | 5,591,500 | 0 | 5,591,500 |
| Total | \$56,990,600 | \$61,284,900 | \$55,975,500 | \$238,600 | \$56,214,100 |
| State | 41,858,900 | 44,710,200 | 43,446,900 | 208,200 | 43,655,100 |
| Federal | 100 | 0 | 0 | 0 | 0 |
| Other | 15,131,600 | 16,574,700 | 12,528,600 | 30,400 | 12,559,000 |

District Public Defenders Conference

As required by the United States Constitution, District Public Defenders and their staff provide legal representation at trial and through the state appellate process for indigent persons charged with the commission of a crime. In Tennessee, public defenders may be appointed in any criminal prosecution or juvenile delinquency proceeding involving the possible deprivation of liberty or in any habeas corpus or other post-conviction proceeding. Twenty-nine judicial districts participate directly in the District Public Defenders Conference; the public defenders for Shelby and Davidson Counties receive direct appropriations with no administrative support or control from the conference.

The executive director of the Public Defenders Conference serves as the central administrative support to the conference. The director provides training, personnel, payroll, and fiscal services, and acts as a liaison with other branches of state government. This office also coordinates multi-district cases and provides technical support for caseload counting.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 306.01 District Public Defenders | | | | | |
| Full-Time | 280 | 281 | 275 | 0 | 275 |
| Part-Time | 9 | 9 | 9 | 0 | 9 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 289 | 290 | 284 | 0 | 284 |
| Payroll | 17,902,300 | 19,250,500 | 18,781,600 | 139,800 | 18,921,400 |
| Operational | 2,493,000 | 3,086,100 | 2,757,700 | 0 | 2,757,700 |
| Total | \$20,395,300 | \$22,336,600 | \$21,539,300 | \$139,800 | \$21,679,100 |
| State | 19,861,700 | 21,482,900 | 20,955,800 | 139,800 | 21,095,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 533,600 | 853,700 | 583,500 | 0 | 583,500 |
| 306.03 Executive Director of the Public Defenders Conference | | | | | |
| Full-Time | 11 | 11 | 7 | 0 | 7 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 11 | 11 | 7 | 0 | 7 |
| Payroll | 610,100 | 645,100 | 469,800 | 0 | 469,800 |
| Operational | 198,300 | 263,600 | 192,300 | 0 | 192,300 |
| Total | \$808,400 | \$908,700 | \$662,100 | \$0 | \$662,100 |
| State | 664,900 | 743,000 | 662,100 | 0 | 662,100 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 143,500 | 165,700 | 0 | 0 | 0 |
| 306.10 Shelby County Public Defender | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 2,730,400 | 2,764,000 | 2,694,900 | 0 | 2,694,900 |
| Total | \$2,730,400 | \$2,764,000 | \$2,694,900 | \$0 | \$2,694,900 |
| State | 2,730,400 | 2,764,000 | 2,694,900 | 0 | 2,694,900 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

306.12 Davidson County Public Defender

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 1,344,200 | 1,360,700 | 1,326,700 | 0 | 1,326,700 |
| Total | \$1,344,200 | \$1,360,700 | \$1,326,700 | \$0 | \$1,326,700 |
| State | 1,344,200 | 1,360,700 | 1,326,700 | 0 | 1,326,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

306.00 Department Total

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------------|---------------------|
| Full-Time | 291 | 292 | 282 | 0 | 282 |
| Part-Time | 9 | 9 | 9 | 0 | 9 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 300 | 301 | 291 | 0 | 291 |
| Payroll | 18,512,400 | 19,895,600 | 19,251,400 | 139,800 | 19,391,200 |
| Operational | 6,765,900 | 7,474,400 | 6,971,600 | 0 | 6,971,600 |
| Total | \$25,278,300 | \$27,370,000 | \$26,223,000 | \$139,800 | \$26,362,800 |
| State | 24,601,200 | 26,350,600 | 25,639,500 | 139,800 | 25,779,300 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 677,100 | 1,019,400 | 583,500 | 0 | 583,500 |

Office of the Post-Conviction Defender

The Office of the Post-Conviction Defender was created during the 1995 legislative session to provide for the representation of any person convicted and sentenced to death who is unable to secure counsel due to indigence.

This office is responsible for providing continuing legal education and consulting services to attorneys representing indigents in capital cases and recruiting qualified members of the private bar association who are willing to provide representation in state death penalty proceedings.

The Post-Conviction Defender Commission is a separate entity also created during the 1995 legislative session. The commission is responsible for appointment of the Post-Conviction Defender and oversight of the office. The commission is composed of the following members:

- Two members appointed by the Governor
- Two members appointed by the Lieutenant Governor
- Two members appointed by the Speaker of the House of Representatives
- Three members appointed by the Supreme Court of Tennessee.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 308.00 Office of the Post-Conviction Defender | | | | | |
| Full-Time | 14 | 14 | 14 | 0 | 14 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 14 | 14 | 14 | 0 | 14 |
| Payroll | 725,200 | 848,200 | 848,200 | 0 | 848,200 |
| Operational | 218,800 | 213,100 | 213,100 | 0 | 213,100 |
| Total | \$944,000 | \$1,061,300 | \$1,061,300 | \$0 | \$1,061,300 |
| State | 918,800 | 856,700 | 856,700 | 204,600 | 1,061,300 |
| Federal | 25,200 | 204,600 | 204,600 | (204,600) | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

Alcoholic Beverage Commission

The Alcoholic Beverage Commission (ABC) has the legal responsibility to regulate the liquor industry and enforce liquor laws and certain drug laws. It is the only regulatory/law enforcement agency in the state with a specific emphasis on enforcement of laws related to underage drinking.

The Commission's regulatory functions include licensing and inspecting:

- Wineries and distilleries
- Liquor wholesalers and retailers
- Temporary liquor sales venues
- Establishments offering on-premise liquor consumption.

The ABC also enforces laws pertaining to the illegal manufacture, transportation, and sale of alcoholic beverages and marijuana. Along with the Department of Safety and the Tennessee Bureau of Investigation, the commission participates in the Governor's Task Force on Marijuana Eradication.

The ABC is legally authorized to issue server permits to employees of establishments offering on-premise liquor consumption and require servers to complete alcohol awareness training certified by the commission. The Server Training Program is designed to properly train employees to responsibly sell and serve alcoholic beverages.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 316.03 Alcoholic Beverage Commission | | | | | |
| Full-Time | 66 | 66 | 62 | 0 | 62 |
| Part-Time | 3 | 3 | 3 | 0 | 3 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 69 | 69 | 65 | 0 | 65 |
| Payroll | 2,508,300 | 2,891,800 | 2,751,400 | 0 | 2,751,400 |
| Operational | 1,177,400 | 1,144,100 | 1,126,400 | 0 | 1,126,400 |
| Total | \$3,685,700 | \$4,035,900 | \$3,877,800 | \$0 | \$3,877,800 |
| State | 1,060,500 | 2,094,700 | 1,684,800 | 0 | 1,684,800 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 2,625,200 | 1,941,200 | 2,193,000 | 0 | 2,193,000 |

Tennessee Rehabilitative Initiative in Correction

The Tennessee Rehabilitative Initiative in Correction (TRICOR) manages correctional industry, agriculture, and service operations for the purpose of employing and training inmates and providing quality products and services to the Department of Correction, other state agencies, local governments, and not-for-profit organizations.

TRICOR's industrial program is comprised of twenty-six operations located at ten different correctional facilities across the state. The products manufactured include:

- Office furniture
- Institutional furniture and bedding
- Uniforms and institutional clothing
- Custom wood and metal fabrication
- Textiles
- License plates
- Interior and exterior building signs
- Highway regulatory signs
- Highway marking paint
- Trash liners
- Open office landscaping
- Refurbished furniture.

The agricultural program consists of four farms located at West Tennessee State Penitentiary, Turney Center Industrial Prison and Farm, Southeastern Regional Correctional Facility, and Brushy Mountain Correctional Complex. Agricultural operations include:

- Field crops
- Beef cattle
- Milk production
- Egg production
- Pallet refurbishing
- Timber harvesting and production.

In addition to the manufacturing and agricultural programs, TRICOR offers services in data processing, printing, office relocation, and provides janitorial supplies.

In an effort to fulfill its mission as a rehabilitative department, TRICOR also administers a post-release placement program that provides job placement assistance to eligible inmates who have completed their sentences.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|

316.08 Tennessee Rehabilitative Initiative in Correction

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 185 | 185 | 185 | 0 | 185 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 185 | 185 | 185 | 0 | 185 |
| Payroll | 6,485,800 | 7,306,800 | 7,166,100 | 0 | 7,166,100 |
| Operational | 13,598,600 | 17,451,500 | 17,592,200 | 0 | 17,592,200 |
| Total | \$20,084,400 | \$24,758,300 | \$24,758,300 | \$0 | \$24,758,300 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 20,084,400 | 24,758,300 | 24,758,300 | 0 | 24,758,300 |

Tennessee Corrections Institute

The Tennessee Corrections Institute (TCI) is responsible for educating local correctional staff and certifying local adult correctional facilities. TCI also establishes standards to inspect and certify local correctional facilities in such areas as physical environment, medical services, and inmate supervision. The Institute provides training to local correctional personnel in the following areas:

- Legal issues
- Report writing
- Suicide prevention
- Hostage survival
- Substance abuse
- Security measures
- Communications
- Stress management.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 316.09 Tennessee Corrections Institute | | | | | |
| Full-Time | 11 | 11 | 10 | 0 | 10 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 11 | 11 | 10 | 0 | 10 |
| Payroll | 380,600 | 500,800 | 473,800 | 0 | 473,800 |
| Operational | 170,500 | 190,700 | 139,400 | 0 | 139,400 |
| Total | \$551,100 | \$691,500 | \$613,200 | \$0 | \$613,200 |
| State | 540,000 | 662,800 | 598,200 | 0 | 598,200 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 11,100 | 28,700 | 15,000 | 0 | 15,000 |

Board of Probation and Parole

The Board of Probation and Parole protects society by managing the orderly release and supervision of adult felons. This process is carried out in such a manner as to promote lawful behavior and minimize risk to the general public. The board conducts parole hearings at state and local prisons and jails and makes recommendations to the Governor regarding executive clemency.

The board is also responsible, through the Probation and Parole Services Division, for the supervision of parolees as well as offenders placed on probation and in community corrections by the criminal and circuit courts of the State of Tennessee. Probation and Parole Services is responsible for the collection of supervision and criminal injuries fees, and writing pre-sentence investigation reports for use by the court system, the Department of Correction, and the Board of Probation and Parole. The board also administers the Community Correction Grant Program. This program diverts non-violent felony offenders from incarceration by placing them in locally operated grant programs with intensive supervision, community service work, and victim restitution.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 324.02 Probation and Parole Services | | | | | |
| Full-Time | 940 | 968 | 921 | 0 | 921 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 940 | 968 | 921 | 0 | 921 |
| Payroll | 34,957,000 | 38,326,300 | 36,860,100 | 0 | 36,860,100 |
| Operational | 9,271,400 | 10,051,100 | 8,848,400 | 0 | 8,848,400 |
| Total | \$44,228,400 | \$48,377,400 | \$45,708,500 | \$0 | \$45,708,500 |
| State | 44,075,300 | 48,037,400 | 45,368,500 | 0 | 45,368,500 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 153,100 | 340,000 | 340,000 | 0 | 340,000 |
| 324.04 Community Correction | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 8,714,700 | 9,253,500 | 8,562,000 | 0 | 8,562,000 |
| Total | \$8,714,700 | \$9,253,500 | \$8,562,000 | \$0 | \$8,562,000 |
| State | 8,714,700 | 9,253,500 | 8,562,000 | 0 | 8,562,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 324.00 Department Total | | | | | |
| Full-Time | 940 | 968 | 921 | 0 | 921 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 940 | 968 | 921 | 0 | 921 |
| Payroll | 34,957,000 | 38,326,300 | 36,860,100 | 0 | 36,860,100 |
| Operational | 17,986,100 | 19,304,600 | 17,410,400 | 0 | 17,410,400 |
| Total | \$52,943,100 | \$57,630,900 | \$54,270,500 | \$0 | \$54,270,500 |
| State | 52,790,000 | 57,290,900 | 53,930,500 | 0 | 53,930,500 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 153,100 | 340,000 | 340,000 | 0 | 340,000 |

Department of Correction

The Tennessee Department of Correction exists for the purpose of providing supervision of convicted felons during their period of confinement in the department's institutions. The department fulfills its obligations to the courts through the incarceration of inmates in a variety of secured institutional settings. All individuals are assigned to the department by the criminal courts of Tennessee and managed in accordance with Department of Correction policy and procedure.

The Department of Correction carries out its responsibilities through three major functional areas:

- Administrative Services
- Tennessee Correction Academy
- Institutional Operations.

Administrative Services

The Administrative Services functional area includes Administration, State Prosecutions, Major Maintenance, the Sex Offender Treatment Program, Federal Construction Grants and the Sentencing Act of 1985. The department's central administrative office provides management oversight and support services related to all aspects of correctional management. Fiscal operations, contract management, personnel, information systems management, health and mental health services, food services, planning and research, and substance abuse treatment coordination are some of the areas supported by the central office.

State Prosecutions, administered through the central office, provides reimbursement to the county jails in Tennessee housing convicted felons. In addition, this program provides payments to counties for other correctional expenditures, such as witness fees, criminal court costs and transportation, jury boarding, and medical costs for convicted felons. Funding for upkeep, maintenance and electronic security of the state's fourteen prison facilities and the Tennessee Correction Academy is located in Major Maintenance. The Tennessee Standardized Treatment Program for Sex Offenders Act of 1995 was passed to provide funding for evaluating, identifying, treating, tracking and monitoring sex offenders. Federal Construction Grants is an account used by the department to draw down federal grants for construction projects. The Sentencing Act of 1985 was passed to provide funding for new legislation that increases periods of incarceration in correctional facilities.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 329.01 Administration | | | | | |
| Full-Time | 202 | 204 | 192 | 0 | 192 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 202 | 204 | 192 | 0 | 192 |
| Payroll | 8,366,900 | 9,716,100 | 9,244,900 | 0 | 9,244,900 |
| Operational | 4,674,900 | 6,169,100 | 7,683,600 | 0 | 7,683,600 |
| Total | \$13,041,800 | \$15,885,200 | \$16,928,500 | \$0 | \$16,928,500 |
| State | 8,257,600 | 10,935,400 | 12,267,200 | 0 | 12,267,200 |
| Federal | 388,200 | 294,700 | 474,700 | 0 | 474,700 |
| Other | 4,396,000 | 4,655,100 | 4,186,600 | 0 | 4,186,600 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 329.04 State Prosecutions | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 116,494,400 | 113,557,200 | 95,355,200 | 5,000,000 | 100,355,200 |
| Total | \$116,494,400 | \$113,557,200 | \$95,355,200 | \$5,000,000 | \$100,355,200 |
| State | 116,447,400 | 113,557,200 | 95,355,200 | 5,000,000 | 100,355,200 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 47,000 | 0 | 0 | 0 | 0 |
| 329.32 Major Maintenance | | | | | |
| Full-Time | 22 | 22 | 22 | 0 | 22 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 22 | 22 | 22 | 0 | 22 |
| Payroll | 923,200 | 1,009,700 | 1,059,700 | 0 | 1,059,700 |
| Operational | 2,673,200 | 2,433,300 | 2,433,300 | 0 | 2,433,300 |
| Total | \$3,596,400 | \$3,443,000 | \$3,493,000 | \$0 | \$3,493,000 |
| State | 3,555,600 | 3,443,000 | 3,493,000 | 0 | 3,493,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 40,800 | 0 | 0 | 0 | 0 |
| 329.50 Sex Offender Treatment Program | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 110,500 | 75,000 | 75,000 | 0 | 75,000 |
| Total | \$110,500 | \$75,000 | \$75,000 | \$0 | \$75,000 |
| State | 87,100 | 75,000 | 75,000 | 0 | 75,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 23,400 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 329.98 Federal Construction Grants | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 251,300 | 15,310,000 | 15,310,000 | 0 | 15,310,000 |
| Total | \$251,300 | \$15,310,000 | \$15,310,000 | \$0 | \$15,310,000 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 251,300 | 15,310,000 | 15,310,000 | 0 | 15,310,000 |
| Other | 0 | 0 | 0 | 0 | 0 |

329.99 Sentencing Act of 1985

| | | | | | |
|--------------|------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 0 | 16,274,500 | 14,327,200 | 0 | 14,327,200 |
| Total | \$0 | \$16,274,500 | \$14,327,200 | \$0 | \$14,327,200 |
| State | 0 | 16,274,500 | 14,327,200 | 0 | 14,327,200 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

Tennessee Correction Academy

The Tennessee Correction Academy, located in Tullahoma, provides training to all departmental employees, as well as employees of the Department of Children's Services, the Board of Probation and Parole, and other law enforcement agencies. While some of the department's employee training is provided in a regional setting, most training is conducted on-site at the academy. New correctional officers complete 120 hours of pre-service training prior to working in an institution, and other institutional employees must complete up to 80 hours of pre-service training before beginning their assigned jobs. Upon completion of a year's employment, security and other professional level institutional staff are required to complete 40 hours of in-service training each year. In addition, specialized training programs are conducted at the academy as necessary to enhance correctional services and professional staff development.

329.06 Tennessee Correction Academy

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 76 | 76 | 76 | 0 | 76 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 76 | 76 | 76 | 0 | 76 |
| Payroll | 2,743,000 | 2,797,600 | 2,797,600 | 0 | 2,797,600 |
| Operational | 1,258,400 | 1,395,800 | 1,237,700 | 0 | 1,237,700 |
| Total | \$4,001,400 | \$4,193,400 | \$4,035,300 | \$0 | \$4,035,300 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| State | 3,873,000 | 4,034,600 | 3,876,500 | 0 | 3,876,500 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 128,400 | 158,800 | 158,800 | 0 | 158,800 |

Institutional Operations

The Institutional Operations functional area is responsible for managing the inmate population committed to the department for incarceration. This functional area consists of classification centers and time-building institutions, special-purpose facilities, and contract-management institutions.

Classification centers evaluate inmates entering the correctional system. During the classification process, each inmate completes various evaluations which provide information concerning the inmate's physical and mental health, work and training experience, educational background, religious affiliation, and family background. Based on these evaluations, decisions are made concerning the most appropriate institutional placement or special program requirements of each inmate. The department's classification centers are located at the Brushy Mountain Correctional Complex, Tennessee Prison for Women, Middle Tennessee Correctional Complex, and West Tennessee State Penitentiary.

Time-building institutions, where inmates serve out their sentences, range in security levels from death row and maximum security to minimum security and work release. These institutions provide educational, counseling, and treatment programs.

329.11 Brushy Mountain Correctional Complex

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 559 | 557 | 554 | 0 | 554 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 559 | 557 | 554 | 0 | 554 |
| Payroll | 19,956,900 | 21,427,200 | 20,870,100 | 0 | 20,870,100 |
| Operational | 9,462,900 | 10,608,900 | 10,551,500 | 0 | 10,551,500 |
| Total | \$29,419,800 | \$32,036,100 | \$31,421,600 | \$0 | \$31,421,600 |
| State | 28,266,500 | 30,891,200 | 30,276,700 | 0 | 30,276,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,153,300 | 1,144,900 | 1,144,900 | 0 | 1,144,900 |

329.13 Tennessee Prison for Women

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 247 | 247 | 246 | 0 | 246 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 247 | 247 | 246 | 0 | 246 |
| Payroll | 7,921,100 | 8,643,800 | 8,491,500 | 0 | 8,491,500 |
| Operational | 5,379,000 | 8,090,500 | 7,644,700 | 0 | 7,644,700 |
| Total | \$13,300,100 | \$16,734,300 | \$16,136,200 | \$0 | \$16,136,200 |
| State | 12,670,800 | 15,758,900 | 15,165,900 | 0 | 15,165,900 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 629,300 | 975,400 | 970,300 | 0 | 970,300 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 329.14 Turney Center Industrial Prison and Farm | | | | | |
| Full-Time | 327 | 327 | 327 | 0 | 327 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 327 | 327 | 327 | 0 | 327 |
| Payroll | 11,091,100 | 12,103,400 | 12,075,900 | 0 | 12,075,900 |
| Operational | 7,891,100 | 8,252,600 | 8,202,000 | 0 | 8,202,000 |
| Total | \$18,982,200 | \$20,356,000 | \$20,277,900 | \$0 | \$20,277,900 |
| State | 18,042,500 | 19,486,400 | 19,408,300 | 0 | 19,408,300 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 939,700 | 869,600 | 869,600 | 0 | 869,600 |
| 329.16 Mark Luttrell Correctional Facility | | | | | |
| Full-Time | 201 | 201 | 200 | 0 | 200 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 201 | 201 | 200 | 0 | 200 |
| Payroll | 6,839,700 | 7,688,300 | 7,468,200 | 0 | 7,468,200 |
| Operational | 3,156,100 | 3,847,500 | 3,685,400 | 0 | 3,685,400 |
| Total | \$9,995,800 | \$11,535,800 | \$11,153,600 | \$0 | \$11,153,600 |
| State | 9,490,300 | 10,993,800 | 10,611,600 | 0 | 10,611,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 505,500 | 542,000 | 542,000 | 0 | 542,000 |
| 329.17 Middle Tennessee Correctional Complex | | | | | |
| Full-Time | 407 | 390 | 390 | 0 | 390 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 407 | 390 | 390 | 0 | 390 |
| Payroll | 13,010,500 | 14,486,600 | 14,083,900 | 0 | 14,083,900 |
| Operational | 7,423,800 | 8,404,000 | 8,503,600 | 0 | 8,503,600 |
| Total | \$20,434,300 | \$22,890,600 | \$22,587,500 | \$0 | \$22,587,500 |
| State | 19,517,000 | 21,958,800 | 21,455,700 | 0 | 21,455,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 917,300 | 931,800 | 1,131,800 | 0 | 1,131,800 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 329.18 Southeastern Tennessee State Regional Correctional Facility | | | | | |
| Full-Time | 324 | 323 | 322 | 0 | 322 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 324 | 323 | 322 | 0 | 322 |
| Payroll | 11,556,600 | 11,970,600 | 11,932,700 | 0 | 11,932,700 |
| Operational | 5,478,000 | 6,024,900 | 5,990,200 | 0 | 5,990,200 |
| Total | \$17,034,600 | \$17,995,500 | \$17,922,900 | \$0 | \$17,922,900 |
| State | 16,239,100 | 17,277,400 | 17,204,800 | 0 | 17,204,800 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 795,500 | 718,100 | 718,100 | 0 | 718,100 |
| 329.41 West Tennessee State Penitentiary | | | | | |
| Full-Time | 734 | 734 | 711 | 0 | 711 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 734 | 734 | 711 | 0 | 711 |
| Payroll | 22,476,300 | 25,118,600 | 24,265,700 | 0 | 24,265,700 |
| Operational | 16,503,700 | 18,278,800 | 18,503,000 | 0 | 18,503,000 |
| Total | \$38,980,000 | \$43,397,400 | \$42,768,700 | \$0 | \$42,768,700 |
| State | 37,574,100 | 42,106,300 | 41,477,600 | 0 | 41,477,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,405,900 | 1,291,100 | 1,291,100 | 0 | 1,291,100 |
| 329.42 Riverbend Maximum Security Institution | | | | | |
| Full-Time | 363 | 356 | 325 | 0 | 325 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 363 | 356 | 325 | 0 | 325 |
| Payroll | 11,454,900 | 12,406,100 | 11,766,900 | 0 | 11,766,900 |
| Operational | 6,044,200 | 6,945,000 | 6,817,600 | 0 | 6,817,600 |
| Total | \$17,499,100 | \$19,351,100 | \$18,584,500 | \$0 | \$18,584,500 |
| State | 17,065,800 | 18,954,200 | 18,187,600 | 0 | 18,187,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 433,300 | 396,900 | 396,900 | 0 | 396,900 |
| 329.43 Northeast Correctional Complex | | | | | |
| Full-Time | 515 | 515 | 510 | 0 | 510 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 515 | 515 | 510 | 0 | 510 |
| Payroll | 14,873,400 | 16,600,700 | 16,506,800 | 0 | 16,506,800 |
| Operational | 12,365,100 | 14,009,900 | 13,820,200 | 0 | 13,820,200 |
| Total | \$27,238,500 | \$30,610,600 | \$30,327,000 | \$0 | \$30,327,000 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| State | 25,997,500 | 29,324,100 | 29,040,500 | 0 | 29,040,500 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,241,000 | 1,286,500 | 1,286,500 | 0 | 1,286,500 |

329.45 Northwest Correctional Complex

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 660 | 660 | 658 | 0 | 658 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 660 | 660 | 658 | 0 | 658 |
| Payroll | 20,606,600 | 22,712,600 | 22,483,600 | 0 | 22,483,600 |
| Operational | 14,414,500 | 15,707,100 | 15,711,700 | 0 | 15,711,700 |
| Total | \$35,021,100 | \$38,419,700 | \$38,195,300 | \$0 | \$38,195,300 |
| State | 33,458,000 | 36,884,300 | 36,659,900 | 0 | 36,659,900 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,563,100 | 1,535,400 | 1,535,400 | 0 | 1,535,400 |

Wayne County Boot Camp and the Lois M. DeBerry Special Needs Facility are the department's two special-purpose facilities. These facilities provide inmates with alternative rehabilitation methods and programs for mental health services, medical services and sex offender treatment.

Wayne County Boot Camp is an alternative incarceration unit. Offenders convicted of specified felonies who are serving their first term of incarceration in a state or federal prison can participate in a 120 day program that is based on a strict, highly structured military style regimen designed to foster self-discipline and positive self-esteem. Offenders at the boot camp also participate in educational programming when they lack a high school diploma/GED, and perform community service work for state and local government agencies, as well as private not-for-profit agencies in the area. Other special-purpose programs at the boot camp include a geriatrics program and a program which is designed to provide intensive work and educational programming for offenders who have violated their probation or parole without committing a new felony offense.

The Lois M. DeBerry Special Needs Facility is the department's primary medical and mental health treatment facility. As needed, inmates are transferred to this facility for medical services and both emergent and programmed mental health treatment. In addition, this facility provides geriatrics and sex offender treatment programs.

329.08 Wayne County Boot Camp

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 156 | 156 | 156 | 0 | 156 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 156 | 156 | 156 | 0 | 156 |
| Payroll | 4,933,000 | 5,322,100 | 5,320,400 | 0 | 5,320,400 |
| Operational | 2,365,800 | 3,280,600 | 3,159,400 | 0 | 3,159,400 |
| Total | \$7,298,800 | \$8,602,700 | \$8,479,800 | \$0 | \$8,479,800 |
| State | 6,986,700 | 8,260,200 | 8,137,300 | 0 | 8,137,300 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 312,100 | 342,500 | 342,500 | 0 | 342,500 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 329.46 Lois M. DeBerry Special Needs Facility | | | | | |
| Full-Time | 470 | 448 | 448 | 13 | 461 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 470 | 448 | 448 | 13 | 461 |
| Payroll | 17,806,500 | 18,254,300 | 18,089,700 | 560,000 | 18,649,700 |
| Operational | 6,327,100 | 8,813,800 | 8,598,900 | 0 | 8,598,900 |
| Total | \$24,133,600 | \$27,068,100 | \$26,688,600 | \$560,000 | \$27,248,600 |
| State | 23,722,600 | 26,700,700 | 26,321,200 | 560,000 | 26,881,200 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 411,000 | 367,400 | 367,400 | 0 | 367,400 |

The Institutional Operations functional area includes three contract-management facilities: Hardeman County Correctional Facility, Hardeman County Correctional Facility - Whiteville and South Central Correctional Center. The Hardeman County Correctional Facility, owned by Hardeman County, and the Hardeman County Correctional Facility - Whiteville, a privately owned facility, have been contracted by the department to house and manage adult male felons. The South Central Correctional Center is a state-owned facility that utilizes a private contractor to manage the inmate population.

329.21 Hardeman County Incarceration Agreement

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------------|---------------------|
| Full-Time | 2 | 2 | 2 | 0 | 2 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 2 | 2 | 2 | 0 | 2 |
| Payroll | 101,900 | 112,500 | 112,500 | 0 | 112,500 |
| Operational | 30,320,400 | 31,278,600 | 31,280,200 | 324,800 | 31,605,000 |
| Total | \$30,422,300 | \$31,391,100 | \$31,392,700 | \$324,800 | \$31,717,500 |
| State | 30,403,400 | 31,373,800 | 31,373,800 | 324,800 | 31,698,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 18,900 | 17,300 | 18,900 | 0 | 18,900 |

329.22 Hardeman County Agreement – Whiteville

| | | | | | |
|--------------|------------|---------------------|---------------------|---------------------|---------------------|
| Full-Time | 0 | 0 | 0 | 2 | 2 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 2 | 2 |
| Payroll | 0 | 0 | 0 | 82,400 | 82,400 |
| Operational | 0 | 10,241,800 | 10,241,800 | 14,771,500 | 25,013,300 |
| Total | \$0 | \$10,241,800 | \$10,241,800 | \$14,853,900 | \$25,095,700 |
| State | 0 | 10,241,800 | 10,241,800 | 14,835,200 | 25,077,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 18,700 | 18,700 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 329.44 South Central Correctional Center | | | | | |
| Full-Time | 2 | 2 | 2 | 0 | 2 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 2 | 2 | 2 | 0 | 2 |
| Payroll | 96,700 | 121,300 | 121,300 | 0 | 121,300 |
| Operational | 22,356,400 | 22,600,700 | 22,604,200 | 1,223,300 | 23,827,500 |
| Total | \$22,453,100 | \$22,722,000 | \$22,725,500 | \$1,223,300 | \$23,948,800 |
| State | 22,434,400 | 22,706,800 | 22,706,800 | 1,223,300 | 23,930,100 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 18,700 | 15,200 | 18,700 | 0 | 18,700 |
| 329.00 Department Total | | | | | |
| Full-Time | 5,267 | 5,220 | 5,141 | 15 | 5,156 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 5,267 | 5,220 | 5,141 | 15 | 5,156 |
| Payroll | 174,758,300 | 190,491,500 | 186,691,400 | 642,400 | 187,333,800 |
| Operational | 274,950,800 | 331,599,600 | 311,736,400 | 21,319,600 | 333,056,000 |
| Total | \$449,709,100 | \$522,091,100 | \$498,427,800 | \$21,962,000 | \$520,389,800 |
| State | 434,089,400 | 491,238,400 | 467,663,600 | 21,943,300 | 489,606,900 |
| Federal | 639,500 | 15,604,700 | 15,784,700 | 0 | 15,784,700 |
| Other | 14,980,200 | 15,248,000 | 14,979,500 | 18,700 | 14,998,200 |

Statistical Data Correctional Institutions

| | BMCC 329.11 | TPW 329.13 | TCIP 329.14 | MLCF 329.16 | MTCC 329.17 |
|---|------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| Annual Admissions | | | | | |
| 1996-1997 | 1,918 | 295 | 643 | 1,926 | 4,906 |
| 1997-1998 | 3,431 | 537 | 684 | 2,211 | 5,240 |
| 1998-1999 | 1,917 | 328 | 524 | 1,220 | 2,601 |
| 1999-2000 | 1,915 | 547 | 481 | 414 | 2,586 |
| 2000-2001 | 1,048 | 455 | 521 | 212 | 3,613 |
| 2001-2002 | 1,915 | 522 | 477 | 213 | 3,477 |
| 2002-2003 | 1,900 | 575 | 500 | 200 | 3,500 |
| 2003-2004 | 1,900 | 500 | 500 | 200 | 3,500 |
| Annual Releases | | | | | |
| 1996-1997 | 1,593 | 252 | 494 | 1,730 | 4,609 |
| 1997-1998 | 2,947 | 317 | 491 | 1,970 | 5,323 |
| 1998-1999 | 1,912 | 257 | 523 | 1,729 | 2,109 |
| 1999-2000 | 1,907 | 123 | 480 | 203 | 2,557 |
| 2000-2001 | 525 | 261 | 523 | 197 | 3,756 |
| 2001-2002 | 1,907 | 384 | 471 | 169 | 3,771 |
| 2002-2003 | 1,900 | 475 | 500 | 200 | 3,500 |
| 2003-2004 | 1,900 | 500 | 500 | 200 | 3,500 |
| Average Daily Census | | | | | |
| 1996-1997 | 1,523 | 343 | 982 | 461 | 1,253 |
| 1997-1998 | 1,499 | 436 | 1,057 | 432 | 1,106 |
| 1998-1999 | 1,525 | 494 | 1,106 | 402 | 1,018 |
| 1999-2000 | 1,517 | 471 | 1,100 | 335 | 1,009 |
| 2000-2001 | 1,539 | 466 | 1,100 | 404 | 994 |
| 2001-2002 | 1,537 | 512 | 1,110 | 397 | 1,011 |
| 2002-2003 | 1,603 | 775 | 1,136 | 440 | 1,082 |
| 2003-2004 | 1,603 | 775 | 1,136 | 440 | 1,082 |
| Cost Per Occupancy Day (Total Expenditures)* | | | | | |
| 1996-1997 | \$46.49 | \$73.74 | \$45.93 | \$54.90 | \$49.71 |
| 1997-1998 | \$45.84 | \$60.95 | \$41.55 | \$57.78 | \$48.64 |
| 1998-1999 | \$46.98 | \$57.57 | \$41.58 | \$66.84 | \$49.09 |
| 1999-2000 | \$48.18 | \$61.20 | \$42.63 | \$73.29 | \$48.80 |
| 2000-2001 | \$53.60 | \$70.24 | \$46.37 | \$71.20 | \$59.67 |
| 2001-2002 | \$52.44 | \$71.17 | \$46.85 | \$68.98 | \$55.38 |
| 2002-2003 | \$54.75 | \$59.16 | \$49.09 | \$71.83 | \$57.96 |
| 2003-2004 | \$53.70 | \$57.04 | \$48.90 | \$69.45 | \$57.19 |

BMCC: Brushy Mountain Correctional Complex
 TPW: Tennessee Prison for Women
 TCIP: Turney Center Industrial Prison and Farm

MLCF: Mark Luttrell Correctional Facility
 MTCC: Middle TN Correctional Complex

*FY 1996-97 to 2001-2002 are actual expenditures from all sources; 2002-03 to 2003-04 are estimates.

Statistical Data Correctional Institutions

| | STRCF 329.18 | WTSP 329.41 | RMSI 329.42 | NECC 329.43 | NWCC 329.45 |
|---|-------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Annual Admissions | | | | | |
| 1996-1997 | 455 | 886 | 359 | 751 | 1,692 |
| 1997-1998 | 608 | 980 | 370 | 2,211 | 3,615 |
| 1998-1999 | 314 | 2,096 | 300 | 750 | 830 |
| 1999-2000 | 376 | 2,112 | 300 | 741 | 935 |
| 2000-2001 | 353 | 2,587 | 418 | 741 | 1,090 |
| 2001-2002 | 362 | 2,234 | 360 | 621 | 1,007 |
| 2002-2003 | 300 | 2,600 | 300 | 600 | 1,000 |
| 2003-2004 | 300 | 2,600 | 300 | 600 | 1,000 |
| Annual Releases | | | | | |
| 1996-1997 | 496 | 803 | 497 | 584 | 1,201 |
| 1997-1998 | 408 | 736 | 451 | 2,076 | 3,277 |
| 1998-1999 | 322 | 565 | 300 | 750 | 867 |
| 1999-2000 | 376 | 1,866 | 300 | 750 | 970 |
| 2000-2001 | 376 | 2,416 | 381 | 750 | 914 |
| 2001-2002 | 357 | 2,289 | 365 | 582 | 962 |
| 2002-2003 | 300 | 2,600 | 300 | 600 | 1,000 |
| 2003-2004 | 300 | 2,600 | 300 | 600 | 1,000 |
| Average Daily Census | | | | | |
| 1996-1997 | 945 | 1,436 | 675 | 1,497 | 2,080 |
| 1997-1998 | 937 | 1,394 | 669 | 1,494 | 2,132 |
| 1998-1999 | 956 | 1,589 | 664 | 1,527 | 2,180 |
| 1999-2000 | 954 | 2,304 | 664 | 1,518 | 2,117 |
| 2000-2001 | 929 | 2,415 | 676 | 1,609 | 2,152 |
| 2001-2002 | 932 | 2,498 | 705 | 1,682 | 2,289 |
| 2002-2003 | 981 | 2,582 | 736 | 1,886 | 2,425 |
| 2003-2004 | 981 | 2,582 | 736 | 1,886 | 2,425 |
| Cost Per Occupancy Day (Total Expenditures)* | | | | | |
| 1996-1997 | \$41.96 | \$48.93 | \$62.27 | \$39.77 | \$39.24 |
| 1997-1998 | \$40.69 | \$54.16 | \$60.03 | \$38.86 | \$34.78 |
| 1998-1999 | \$42.33 | \$49.86 | \$63.55 | \$37.29 | \$34.60 |
| 1999-2000 | \$42.79 | \$39.25 | \$65.28 | \$39.31 | \$36.50 |
| 2000-2001 | \$49.05 | \$41.74 | \$67.59 | \$41.25 | \$39.45 |
| 2001-2002 | \$50.08 | \$42.75 | \$68.00 | \$44.37 | \$41.92 |
| 2002-2003 | \$50.26 | \$46.05 | \$72.03 | \$44.47 | \$43.41 |
| 2003-2004 | \$50.05 | \$45.38 | \$69.18 | \$44.05 | \$43.15 |

STRCF: Southeastern TN State Regional Corr. Facility
 WTSP: West Tennessee State Penitentiary
 RMSI: Riverbend Maximum Security Institution

NECC: Northeast Correctional Complex
 NWCC: Northwest Correctional Complex

*FY 1996-97 to 2001-2002 are actual expenditures from all sources; 2002-03 to 2003-04 are estimates.

Statistical Data Correctional Institutions

| | WCBC 329.08 | DSNF 329.46 | HCCF 329.21 | HCCF-W 329.22 | SCCC 329.44 | Total* |
|--|----------------|----------------|----------------|------------------|----------------|---------|
| Annual Admissions | | | | | | |
| 1996-1997 | 281 | 308 | 570 | N/A | 942 | 7,453 |
| 1997-1998 | 909 | 424 | 1,738 | N/A | 688 | 8,105 |
| 1998-1999 | 656 | 376 | 2,496 | N/A | 1,468 | 8,021 |
| 1999-2000 | 536 | 420 | 943 | N/A | 656 | 8,484 |
| 2000-2001 | 576 | 420 | 867 | N/A | 624 | 8,808 |
| 2001-2002 | 473 | 388 | 824 | N/A | 759 | 8,882 |
| 2002-2003 | 500 | 400 | 800 | 1,600 | 700 | 10,535 |
| 2003-2004 | 500 | 400 | 800 | 700 | 700 | 9,647 |
| Annual Releases | | | | | | |
| 1996-1997 | 268 | 295 | 9 | N/A | 832 | 4,424 |
| 1997-1998 | 575 | 439 | 577 | N/A | 596 | 4,243 |
| 1998-1999 | 466 | 349 | 2,001 | N/A | 1,456 | 4,275 |
| 1999-2000 | 336 | 413 | 963 | N/A | 680 | 4,711 |
| 2000-2001 | 570 | 372 | 800 | N/A | 600 | 5,145 |
| 2001-2002 | 346 | 354 | 675 | N/A | 657 | 4,675 |
| 2002-2003 | 500 | 400 | 800 | - | 700 | 4,787 |
| 2003-2004 | 500 | 400 | 800 | 700 | 700 | 4,885 |
| Average Daily Census | | | | | | |
| 1996-1997 | 116 | 554 | 25 | N/A | 1,481 | 13,371 |
| 1997-1998 | 279 | 632 | 1,392 | N/A | 1,482 | 14,941 |
| 1998-1999 | 391 | 701 | 1,679 | N/A | 1,480 | 15,712 |
| 1999-2000 | 393 | 715 | 1,965 | N/A | 1,485 | 16,547 |
| 2000-2001 | 409 | 696 | 1,990 | N/A | 1,541 | 16,920 |
| 2001-2002 | 385 | 664 | 1,993 | N/A | 1,657 | 17,372 |
| 2002-2003 | 450 | 800 | 2,016 | 617 | 1,676 | 18,588 |
| 2003-2004 | 450 | 800 | 2,016 | 1,536 | 1,676 | 18,588 |
| Cost Per Occupancy Day (Total Expenditures)** | | | | | | |
| 1996-1997 | \$78.85 | \$160.17 | \$42.79 | N/A | \$34.02 | \$50.20 |
| 1997-1998 | \$51.17 | \$136.85 | \$41.02 | N/A | \$33.46 | \$47.62 |
| 1998-1999 | \$44.39 | \$130.85 | \$40.59 | N/A | \$34.23 | \$47.42 |
| 1999-2000 | \$45.82 | \$133.09 | \$40.87 | N/A | \$35.49 | \$47.16 |
| 2000-2001 | \$49.13 | \$105.50 | \$41.13 | N/A | \$36.37 | \$49.00 |
| 2001-2002 | \$51.94 | \$99.58 | \$41.82 | N/A | \$37.12 | \$49.24 |
| 2002-2003 | \$52.38 | \$92.70 | \$42.66 | \$45.48 | \$37.14 | \$50.57 |
| 2003-2004 | \$51.63 | \$93.32 | \$43.10 | \$44.76 | \$39.15 | \$50.23 |

WCBC: Wayne County Boot Camp

HCCF: Hardeman Co. Correctional Facility

DSNF: Lois DeBerry Special Needs Facility

SCCC: South Central Correctional Center

HCCF-W: Hardeman Co. Correctional Facility - Whiteville

N/A = Indicates facilities were not in existence during the reporting period.

*Total admissions and releases are department wide and will not equal the sum of the columns due to double counting caused by movement of inmates among the facilities.

**FY 1996-97 to 2001-2002 are actual expenditures from all sources; 2002-03 to 2003-04 are estimates.

Military Department

The Military Department provides leadership, direction, and organization for the state's Army and Air National Guard and the Tennessee Emergency Management Agency. The department is organized into three functional areas:

- Administration
- National Guard
- Emergency Management.

Administration

Administration performs all fiscal and administrative duties for the department, maintains war records of all soldiers from Tennessee, and oversees the maintenance of Tennessee Army National Guard armories. The Office of the Adjutant General and the Tennessee Defense Force also operate within this division.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|----------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 341.01 Administration | | | | | |
| Full-Time | 36 | 35 | 34 | 0 | 34 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 36 | 35 | 34 | 0 | 34 |
| Payroll | 1,770,300 | 1,926,500 | 1,773,300 | 0 | 1,773,300 |
| Operational | 338,800 | 368,700 | 320,600 | 0 | 320,600 |
| Total | \$2,109,100 | \$2,295,200 | \$2,093,900 | \$0 | \$2,093,900 |
| State | 1,657,900 | 1,732,900 | 1,565,700 | 0 | 1,565,700 |
| Federal | 446,600 | 539,400 | 521,100 | 0 | 521,100 |
| Other | 4,600 | 22,900 | 7,100 | 0 | 7,100 |
| 341.10 Armories Utilities | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 2,740,200 | 3,110,700 | 3,050,700 | 0 | 3,050,700 |
| Total | \$2,740,200 | \$3,110,700 | \$3,050,700 | \$0 | \$3,050,700 |
| State | 1,720,600 | 1,824,800 | 1,764,800 | 0 | 1,764,800 |
| Federal | 940,700 | 1,204,400 | 1,204,400 | 0 | 1,204,400 |
| Other | 78,900 | 81,500 | 81,500 | 0 | 81,500 |

National Guard

The National Guard's primary objective is to be prepared as a first-line reserve for the active duty Army and Air Force. The National Guard is composed of full-time and part-time personnel. At the request of the Governor, the National Guard can be called upon to assist in emergency situations such as riots, rescues, and disasters.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 341.02 Tennessee Army National Guard | | | | | |
| Full-Time | 85 | 86 | 84 | 1 | 85 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 12 | 12 | 12 | 0 | 12 |
| Total | 97 | 98 | 96 | 1 | 97 |
| Payroll | 3,274,700 | 4,713,000 | 4,619,000 | 30,200 | 4,649,200 |
| Operational | 1,820,100 | 4,022,600 | 3,479,900 | 0 | 3,479,900 |
| Total | \$5,094,800 | \$8,735,600 | \$8,098,900 | \$30,200 | \$8,129,100 |
| State | 1,028,400 | 1,393,800 | 852,300 | 30,200 | 882,500 |
| Federal | 3,758,800 | 6,758,900 | 6,758,900 | 0 | 6,758,900 |
| Other | 307,600 | 582,900 | 487,700 | 0 | 487,700 |
| 341.03 Tennessee Air National Guard | | | | | |
| Full-Time | 193 | 201 | 201 | 7 | 208 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 193 | 201 | 201 | 7 | 208 |
| Payroll | 5,737,800 | 7,298,800 | 7,298,800 | 190,400 | 7,489,200 |
| Operational | 3,379,100 | 4,140,200 | 4,128,200 | 21,200 | 4,149,400 |
| Total | \$9,116,900 | \$11,439,000 | \$11,427,000 | \$211,600 | \$11,638,600 |
| State | 1,345,500 | 1,421,200 | 1,409,200 | 62,800 | 1,472,000 |
| Federal | 7,757,300 | 10,013,200 | 10,013,200 | 148,800 | 10,162,000 |
| Other | 14,100 | 4,600 | 4,600 | 0 | 4,600 |
| 341.07 Armories Maintenance | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 2,164,300 | 3,802,000 | 3,697,300 | 0 | 3,697,300 |
| Total | \$2,164,300 | \$3,802,000 | \$3,697,300 | \$0 | \$3,697,300 |
| State | 793,600 | 736,700 | 736,700 | 0 | 736,700 |
| Federal | 1,045,200 | 2,853,100 | 2,853,100 | 0 | 2,853,100 |
| Other | 325,500 | 212,200 | 107,500 | 0 | 107,500 |

Emergency Management

The Tennessee Emergency Management Agency (TEMA) is responsible for directing and assisting state and local governments in times of man-made or natural disasters. Its purpose is to warn of possible disasters and to protect the lives and property of Tennessee citizens and visitors should such an event occur.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 341.04 Tennessee Emergency Management Agency | | | | | |
| Full-Time | 81 | 101 | 101 | 1 | 102 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 81 | 101 | 101 | 1 | 102 |
| Payroll | 3,598,000 | 4,528,400 | 4,528,400 | 43,100 | 4,571,500 |
| Operational | 4,161,300 | 10,211,100 | 10,159,600 | 1,029,000 | 11,188,600 |
| Total | \$7,759,300 | \$14,739,500 | \$14,688,000 | \$1,072,100 | \$15,760,100 |
| State | 1,663,200 | 2,137,100 | 2,085,600 | 816,800 | 2,902,400 |
| Federal | 5,268,500 | 11,608,800 | 11,527,300 | 255,300 | 11,782,600 |
| Other | 827,600 | 993,600 | 1,075,100 | 0 | 1,075,100 |
| 341.09 TEMA Disaster Relief Grants | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 373,100 | 0 | 0 | 0 | 0 |
| Operational | 13,210,000 | 5,000,000 | 5,000,000 | 0 | 5,000,000 |
| Total | \$13,583,100 | \$5,000,000 | \$5,000,000 | \$0 | \$5,000,000 |
| State | 1,762,300 | 0 | 0 | 0 | 0 |
| Federal | 11,152,200 | 5,000,000 | 5,000,000 | 0 | 5,000,000 |
| Other | 668,600 | 0 | 0 | 0 | 0 |
| 341.00 Department Total | | | | | |
| Full-Time | 395 | 423 | 420 | 9 | 429 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 12 | 12 | 12 | 0 | 12 |
| Total | 407 | 435 | 432 | 9 | 441 |
| Payroll | 14,753,900 | 18,466,700 | 18,219,500 | 263,700 | 18,483,200 |
| Operational | 27,813,800 | 30,655,300 | 29,836,300 | 1,050,200 | 30,886,500 |
| Total | \$42,567,700 | \$49,122,000 | \$48,055,800 | \$1,313,900 | \$49,369,700 |
| State | 9,971,500 | 9,246,500 | 8,414,300 | 909,800 | 9,324,100 |
| Federal | 30,369,300 | 37,977,800 | 37,878,000 | 404,100 | 38,282,100 |
| Other | 2,226,900 | 1,897,700 | 1,763,500 | 0 | 1,763,500 |

Tennessee Bureau of Investigation

The Tennessee Bureau of Investigation (TBI) is responsible for assisting the District Attorneys General and local law enforcement agencies in the investigation and prosecution of criminal offenses. The bureau's operations are organized into five divisions:

- Administrative Services
- Criminal Investigations
- Drug Investigations
- Forensic Services
- Information Systems.

The Administrative Services division provides overall direction and support for the bureau. This area performs legal, personnel, payroll, fiscal, and administrative support services for the agency.

The Criminal Investigation division was created to provide expertise in investigative support to district attorneys and state and local law enforcement agencies. The division serves as an independent investigative body for investigating public corruption and misconduct at all levels of government, as well as provider fraud and patient abuse within the TennCare system. Additionally, the division is responsible for gathering and disseminating intelligence on criminal activity, including terrorism, fugitives, and drug trafficking.

The Drug Investigations division has original jurisdiction to investigate violations of Tennessee's drug control laws. The section's special agents are each assigned to one of four regional investigative units. Each unit initiates and investigates their own cases, targeting upper- and mid-level drug violators and drug distribution organizations. In addition, the Drug Investigations section works with state and local government agencies, the U.S. Drug Enforcement Administration, and the Federal Bureau of Investigation to ensure that all agencies are mutually supportive.

Forensic Services provides forensic examinations for the law enforcement community and medical examiners statewide. These examinations are performed at laboratories located in Nashville, Knoxville, Jackson, Memphis, and Chattanooga. The main laboratory in Nashville specializes in DNA/serology, toxicology, latent fingerprint examination, ballistics analysis, and microanalysis testing. Drug chemistry and blood alcohol analysis are performed at all TBI labs.

The Information Systems division provides support to investigative activities through records management, systems operations, fingerprint identification, and uniform crime reporting. The operation of these services is housed in the Tennessee Crime Information Center, along with various computer systems for criminal, investigative, and forensic information.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 348.00 Tennessee Bureau of Investigation | | | | | |
| Full-Time | 450 | 473 | 422 | 0 | 422 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 450 | 473 | 422 | 0 | 422 |
| Payroll | 20,414,500 | 23,054,800 | 20,825,500 | 0 | 20,825,500 |
| Operational | 21,476,900 | 22,095,300 | 20,438,100 | 0 | 20,438,100 |
| Total | \$41,891,400 | \$45,150,100 | \$41,263,600 | \$0 | \$41,263,600 |
| State | 24,413,400 | 27,493,600 | 24,933,700 | 0 | 24,933,700 |
| Federal | 6,720,600 | 7,637,900 | 7,472,300 | 0 | 7,472,300 |
| Other | 10,757,400 | 10,018,600 | 8,857,600 | 0 | 8,857,600 |

Department of Safety

The Department of Safety works to provide safe highways for Tennessee's citizens and visitors by strictly enforcing the laws governing the use of state and federal roads. The department also educates the public through driver safety programs and assists local law enforcement officers in special operations and training. Responsibilities of the department focus on the following areas:

- Administrative and support services
- Driver license issuance
- Enforcement
- Education
- Titling and registration
- Technical services.

Administrative and Support Services

The administrative and support services area is responsible for the overall administration of the department and for providing basic support services for departmental operations. The legal section provides general legal counsel, administers the Drug Control Act, and enforces the Vehicle Identification Number (VIN) laws. This area also provides fiscal, personnel, supply, and internal audit functions.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 349.01 Administration | | | | | |
| Full-Time | 105 | 107 | 93 | 0 | 93 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 105 | 107 | 93 | 0 | 93 |
| Payroll | 4,207,900 | 4,640,000 | 4,326,700 | 0 | 4,326,700 |
| Operational | 1,608,300 | 1,857,700 | 1,714,900 | 0 | 1,714,900 |
| Total | \$5,816,200 | \$6,497,700 | \$6,041,600 | \$0 | \$6,041,600 |
| State | 5,444,100 | 6,151,700 | 5,695,600 | 0 | 5,695,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 372,100 | 346,000 | 346,000 | 0 | 346,000 |
| 349.07 Motor Vehicle Operations | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 7,164,800 | 7,355,900 | 7,162,400 | 27,700 | 7,190,100 |
| Total | \$7,164,800 | \$7,355,900 | \$7,162,400 | \$27,700 | \$7,190,100 |
| State | 7,077,600 | 7,295,900 | 7,102,400 | 27,700 | 7,130,100 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 87,200 | 60,000 | 60,000 | 0 | 60,000 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 349.12 Major Maintenance | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 231,900 | 249,000 | 200,000 | 0 | 200,000 |
| Total | \$231,900 | \$249,000 | \$200,000 | \$0 | \$200,000 |
| State | 231,900 | 249,000 | 200,000 | 0 | 200,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

Driver License Issuance

Driver License Issuance has the responsibility of issuing driving privileges to all persons who qualify under the Classified and Commercial Driver's License Act. The handgun permit program is also administered through this division.

349.02 Driver License Issuance

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------------|---------------------|
| Full-Time | 287 | 287 | 287 | 0 | 287 |
| Part-Time | 13 | 13 | 13 | 0 | 13 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 300 | 300 | 300 | 0 | 300 |
| Payroll | 8,367,900 | 9,212,000 | 9,074,100 | 0 | 9,074,100 |
| Operational | 8,358,100 | 10,820,800 | 9,247,300 | 650,000 | 9,897,300 |
| Total | \$16,726,000 | \$20,032,800 | \$18,321,400 | \$650,000 | \$18,971,400 |
| State | 0 | 3,865,200 | 1,064,300 | 650,000 | 1,714,300 |
| Federal | 0 | 465,600 | 155,100 | 0 | 155,100 |
| Other | 16,726,000 | 15,702,000 | 17,102,000 | 0 | 17,102,000 |

Enforcement

The department's enforcement efforts focus on roadway safety, criminal investigation, and other safety-related functions.

The Tennessee Highway Patrol (THP) enforces motor vehicle laws, investigates accidents, provides assistance to motorists, and assists other police organizations in unusual assignments. Within the THP, the Commercial Vehicle Enforcement Division governs the operation of commercial vehicles with priority being placed on dimension and weight limits, inspection, licenses, permits, and motor vehicle tax requirements. The THP also maintains radio contact between all field officers and dispatch centers in the state, thereby providing emergency service to motorists and enabling officers to request support when needed.

The Capitol Police and Pupil Transportation sections are involved with non-highway safety concerns. Focusing on the safety of state property and employees, the Capitol Police section provides special security for state office buildings in Davidson County. The Pupil Transportation section is responsible for the inspection of all school buses and the training of school bus drivers.

The Criminal Investigations Division (C.I.D.) provides investigative support on felony cases. This is accomplished through auto theft investigations, odometer fraud investigations, and the inspection of rebuilt motor vehicles. It also trains local law enforcement agencies in identifying and investigating such crimes.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 349.03 Highway Patrol | | | | | |
| Full-Time | 1,112 | 1,116 | 1,104 | 8 | 1,112 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 1,112 | 1,116 | 1,104 | 8 | 1,112 |
| Payroll | 56,032,600 | 64,135,600 | 59,368,900 | 208,800 | 59,577,700 |
| Operational | 15,999,600 | 19,518,500 | 18,157,100 | 4,245,600 | 22,402,700 |
| Total | \$72,032,200 | \$83,654,100 | \$77,526,000 | \$4,454,400 | \$81,980,400 |
| State | 65,319,500 | 73,924,300 | 68,394,200 | 4,454,400 | 72,848,600 |
| Federal | 3,738,800 | 5,249,900 | 5,249,900 | 0 | 5,249,900 |
| Other | 2,973,900 | 4,479,900 | 3,881,900 | 0 | 3,881,900 |
| 349.06 Auto Theft Investigations | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 46,400 | 350,100 | 350,100 | 0 | 350,100 |
| Total | \$46,400 | \$350,100 | \$350,100 | \$0 | \$350,100 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 46,400 | 350,100 | 350,100 | 0 | 350,100 |
| 349.14 C.I.D. Anti-Theft Unit | | | | | |
| Full-Time | 10 | 10 | 10 | 0 | 10 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 10 | 10 | 10 | 0 | 10 |
| Payroll | 631,900 | 672,800 | 672,800 | 0 | 672,800 |
| Operational | 19,400 | 59,700 | 59,700 | 0 | 59,700 |
| Total | \$651,300 | \$732,500 | \$732,500 | \$0 | \$732,500 |
| State | 640,600 | 732,500 | 732,500 | 0 | 732,500 |
| Federal | 10,700 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

Education

The Driver and Motorcycle Rider Education programs use the news media, pamphlets, films, videotapes, and other instructional materials to educate the motoring public regarding the safe operation of their vehicles.

The Tennessee Law Enforcement Training Academy provides training for all state and local enforcement recruits, excluding those in the four major metropolitan areas. Specialized training for graduated officers is offered in all areas of law enforcement, including topics such as criminal investigations, drug trafficking, traffic control, officer management training, survival techniques, gang enforcement, domestic violence, school violence management and school officer training.

The Academy staffs the Tennessee Peace Officers Standards and Training (P.O.S.T.) Commission which is responsible for enforcing standards and training for all local police officers. This commission also administers the police officer salary supplement program to all eligible police officers.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 349.04 Motorcycle Rider Education | | | | | |
| Full-Time | 2 | 2 | 2 | 0 | 2 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 2 | 2 | 2 | 0 | 2 |
| Payroll | 65,100 | 97,500 | 97,500 | 0 | 97,500 |
| Operational | 76,500 | 83,500 | 83,500 | 0 | 83,500 |
| Total | \$141,600 | \$181,000 | \$181,000 | \$0 | \$181,000 |
| State | 141,600 | 181,000 | 181,000 | 0 | 181,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| 349.08 Driver Education | | | | | |
| Full-Time | 2 | 2 | 2 | 0 | 2 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 2 | 2 | 2 | 0 | 2 |
| Payroll | 96,600 | 128,600 | 128,600 | 0 | 128,600 |
| Operational | 36,500 | 100,500 | 100,500 | 0 | 100,500 |
| Total | \$133,100 | \$229,100 | \$229,100 | \$0 | \$229,100 |
| State | 133,100 | 229,100 | 229,100 | 0 | 229,100 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

| | <u>Actual</u> <u>2001-2002</u> | <u>Estimated</u> <u>2002-2003</u> | <u>Base</u> <u>2003-2004</u> | <u>Improvement</u> <u>2003-2004</u> | <u>Recommended</u> <u>2003-2004</u> |
|--|-----------------------------------|--------------------------------------|---------------------------------|--|--|
|--|-----------------------------------|--------------------------------------|---------------------------------|--|--|

349.09 Tennessee Law Enforcement Training Academy

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 26 | 26 | 25 | 0 | 25 |
| Part-Time | 1 | 1 | 1 | 0 | 1 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 27 | 27 | 26 | 0 | 26 |
| Payroll | 1,231,600 | 1,359,900 | 1,299,200 | 0 | 1,299,200 |
| Operational | 1,546,700 | 2,052,200 | 2,008,400 | 0 | 2,008,400 |
| Total | \$2,778,300 | \$3,412,100 | \$3,307,600 | \$0 | \$3,307,600 |
| State | 1,908,400 | 2,447,100 | 2,467,600 | 0 | 2,467,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 869,900 | 965,000 | 840,000 | 0 | 840,000 |

349.10 P.O.S.T. Commission

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------------|--------------------|
| Full-Time | 2 | 2 | 2 | 0 | 2 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 2 | 2 | 2 | 0 | 2 |
| Payroll | 66,800 | 91,300 | 88,400 | 0 | 88,400 |
| Operational | 6,373,700 | 7,099,500 | 6,435,900 | 157,200 | 6,593,100 |
| Total | \$6,440,500 | \$7,190,800 | \$6,524,300 | \$157,200 | \$6,681,500 |
| State | 6,440,500 | 7,190,800 | 6,524,300 | 157,200 | 6,681,500 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

Titling and Registration

Titling and Registration is responsible for issuing, recording, and enforcing ownership titles; regulating the sale and distribution of vehicle license plates; and regulating vehicle registration renewals through the county clerks.

349.11 Titling and Registration

| | | | | | |
|--------------|---------------------|---------------------|---------------------|--------------------|---------------------|
| Full-Time | 182 | 182 | 160 | 0 | 160 |
| Part-Time | 7 | 7 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 189 | 189 | 160 | 0 | 160 |
| Payroll | 5,210,500 | 5,993,000 | 5,369,400 | 0 | 5,369,400 |
| Operational | 12,426,000 | 21,375,700 | 18,439,700 | 4,100,000 | 22,539,700 |
| Total | \$17,636,500 | \$27,368,700 | \$23,809,100 | \$4,100,000 | \$27,909,100 |
| State | 9,804,100 | 16,963,400 | 16,229,100 | 4,100,000 | 20,329,100 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 7,832,400 | 10,405,300 | 7,580,000 | 0 | 7,580,000 |

Technical Services

Technical Services is responsible for a variety of services intended to assist other divisions within the department. This division is divided into two program areas: financial responsibility and information systems. Through the financial responsibility program, the driving privileges of drivers convicted of statutory offenses are revoked or suspended. Statutory offenses include failure to appear in court, failure to pay fines, and court costs after conviction. This division also certifies the financial responsibility of drivers convicted of certain offenses or involved in accidents.

Responsibilities of the Information Systems division include the installation and maintenance of computer hardware, design and development of new computer systems, management of departmental databases for driver license and title and registration transactions, and for researching, acquiring, and implementing new technologies.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|----------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 349.13 Technical Services | | | | | |
| Full-Time | 176 | 181 | 162 | 0 | 162 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 176 | 181 | 162 | 0 | 162 |
| Payroll | 5,299,000 | 6,219,200 | 5,612,200 | 0 | 5,612,200 |
| Operational | 3,374,900 | 3,574,400 | 3,799,700 | 0 | 3,799,700 |
| Total | \$8,673,900 | \$9,793,600 | \$9,411,900 | \$0 | \$9,411,900 |
| State | 986,800 | 2,182,600 | 1,800,900 | 0 | 1,800,900 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 7,687,100 | 7,611,000 | 7,611,000 | 0 | 7,611,000 |
| 349.00 Department Total | | | | | |
| Full-Time | 1,904 | 1,915 | 1,847 | 8 | 1,855 |
| Part-Time | 21 | 21 | 14 | 0 | 14 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 1,925 | 1,936 | 1,861 | 8 | 1,869 |
| Payroll | 81,209,900 | 92,549,900 | 86,037,800 | 208,800 | 86,246,600 |
| Operational | 57,262,800 | 74,497,500 | 67,759,200 | 9,180,500 | 76,939,700 |
| Total | \$138,472,700 | \$167,047,400 | \$153,797,000 | \$9,389,300 | \$163,186,300 |
| State | 98,128,200 | 121,412,600 | 110,621,000 | 9,389,300 | 120,010,300 |
| Federal | 3,749,500 | 5,715,500 | 5,405,000 | 0 | 5,405,000 |
| Other | 36,595,000 | 39,919,300 | 37,771,000 | 0 | 37,771,000 |

Law, Safety and Correction

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|-------------------|---------|---------------------|------------------------|------------------------|
|-------------------|---------|---------------------|------------------------|------------------------|

District Public Defenders Conference

• Indigent Defendant Representation

| | | | | |
|--|---|-----|-----|-----|
| Reduce caseload to 400 cases per attorney | Caseload per attorney | 571 | 571 | 571 |
| Recruit and retain a professional attorney staff with a turnover rate of less than 5% per year | Attorney turnover rate per year | 8% | 8% | 8% |
| Provide a cadre of highly trained criminal defense professionals | Percentage of attorneys who have attended in excess of 15 hours of continuing legal education | 28% | 30% | 33% |

Office of the Post-Conviction Defender

• Office of the Post-Conviction Defender

| | | | | |
|---|-------------------------------|----|----|----|
| To ensure death-sentenced inmates receive capable and thorough representation | Number of clients represented | 25 | 30 | 30 |
|---|-------------------------------|----|----|----|

Alcoholic Beverage Commission

• Inspections and Licensing

| | | | | |
|---|---|-------|-------|-------|
| Inspect regulated alcoholic beverage businesses | Inspections | 3,061 | 3,121 | 3,121 |
| License non-resident distributors | Licenses issued | 580 | 585 | 585 |
| License wholesalers | Licenses issued | 20 | 20 | 20 |
| License retail package stores | Licenses issued | 480 | 480 | 480 |
| License restaurants | Licenses issued | 1,656 | 1,700 | 1,700 |
| License private clubs | Licenses issued | 235 | 240 | 240 |
| License caterers | Licenses issued | 59 | 65 | 65 |
| License wineries | Licenses issued | 28 | 28 | 28 |
| License distilleries | Licenses issued | 3 | 3 | 3 |
| Encourage compliance to alcoholic beverage laws | Regulatory citations issued | 1,398 | 1,400 | 1,400 |
| Ensure voluntary compliance with citations | Consent orders signed by cited businesses | 726 | 750 | 750 |
| Counts of law violations | Violations | 3,690 | 3,700 | 3,700 |

• Enforcement

| | | | | |
|--|--------------------|-----|-----|-----|
| Investigate alcoholic beverage criminal activity | Cases investigated | 463 | 470 | 470 |
| Enforce alcoholic beverage laws | Arrests | 226 | 230 | 230 |

Law, Safety and Correction

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|-----------------------------------|---------------------|------------------------|------------------------|
| Investigate coincidental drug activity | Drug cases investigated | 199 | 200 | 200 |
| Enforce drug laws | Arrests | 226 | 230 | 230 |
| Investigate coincidental gambling activity | Gambling cases investigated | 5 | 10 | 10 |
| Enforce gambling laws | Arrests | 9 | 10 | 10 |
| Investigate impersonations of agents | Impersonations cases investigated | 4 | 5 | 5 |
| Enforce laws related to impersonating agents | Arrests | 2 | 5 | 5 |
| Participate in Governor's Marijuana Task Force | Plants eradicated | 359,344 | 375,000 | 375,000 |

• Server Training Program

| | | | | |
|---|--------------------------|--------|--------|--------|
| Ensure adequate server awareness training | Server trainers licensed | 262 | 270 | 270 |
| Require alcohol server awareness training | Servers trained | 24,000 | 24,000 | 24,000 |

TRICOR

• Administration

| | | | | |
|--------------------------------------|------------------------|-----|-------|-------|
| Increase inmate employment | Inmates employed | 955 | 1,084 | 1,330 |
| Increase inmate outplacement program | Inmates placed in jobs | 105 | 127 | 164 |

• Industry Operations

| | | | | |
|-------------------------|-----------------------------------|----|----|----|
| Improve delivery times | Number of days to deliver product | 5 | 7 | 7 |
| Improve product quality | Number of customer complaints | 94 | 85 | 77 |

• Agricultural Operations

| | | | | |
|--------------------------|--------------------------|---------|---------|---------|
| Increase milk production | Gallons of milk produced | 883,900 | 869,900 | 897,800 |
|--------------------------|--------------------------|---------|---------|---------|

Corrections Institute

• Inspecting Jails

| | | | | |
|-------------------------|------------------|-----|-----|-----|
| Inspect all local jails | Jail inspections | 129 | 129 | 129 |
|-------------------------|------------------|-----|-----|-----|

• Train Local Correctional Personnel

| | | | | |
|------------------------------------|---------------------------------|--------|--------|--------|
| Provide adequate training | Hours of training | 54,112 | 64,800 | 60,000 |
| Train existing local jail officers | Local officers trained | 1,517 | 1,816 | 1,688 |
| Train new local jail officers | New local jail officers trained | 746 | 771 | 800 |

Law, Safety and Correction

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|-------------------|---------|---------------------|------------------------|------------------------|
|-------------------|---------|---------------------|------------------------|------------------------|

Board of Probation and Parole

• Community Corrections

| | | | | |
|---|-----------------------|-------|-------|-------|
| Supervise felons sentenced to community corrections | Supervised population | 5,580 | 6,138 | 6,752 |
|---|-----------------------|-------|-------|-------|

• Probation and Parole

| | | | | |
|-------------------------------------|---------------------------------|--------|--------|--------|
| Manage caseloads | Average caseload per officer | 97 | 96 | 100 |
| Supervise costs effectively | Cost per day | \$2.37 | \$2.95 | \$3.07 |
| Supervise probationers and parolees | Probation and parole population | 42,987 | 44,706 | 46,494 |

Correction

• Institutional Operations

| | | | | |
|--|---|-----------|-----------|-----------|
| Classify inmates | Annual inmate admissions | 12,049 | 12,922 | 12,847 |
| Maintain institutional security | Assaults on inmates | 280 | 0 | 0 |
| Maintain institutional security | Assaults on staff | 509 | 0 | 0 |
| Maintain institutional security | Escapes | 9 | 0 | 0 |
| Maintain institutional security | Homicides | 4 | 0 | 0 |
| Maintain institutional security | Suicides | 1 | 0 | 0 |
| Provide community work crews | Total work crew hours | 1,318,526 | 1,350,000 | 1,350,000 |
| Provide educational programs | Inmates receiving General Education Development diploma (GED) | 511 | 750 | 750 |
| Provide educational programs | Percentage of inmates passing GED test | 78% | 100% | 100% |
| Provide nutritional and cost efficient meals | Cost per day | \$2.67 | \$2.75 | \$2.60 |

• State Prosecutions

| | | | | |
|-----------------------------|-----------------------|---------|---------|---------|
| House felons in local jails | Cost per day | \$45.03 | \$48.48 | \$48.21 |
| House felons in local jails | Local jail population | 7,087 | 6,408 | 5,985 |

• Tennessee Correction Academy

| | | | | |
|---------------------------|-------------------|-------|-------|-------|
| Provide employee training | Employees trained | 8,396 | 7,951 | 7,951 |
|---------------------------|-------------------|-------|-------|-------|

Military

• Recruiting and Training

| | | | | |
|---|---|-------|-------|-------|
| Recruit new personnel into the National Guard | Percent of increase in strength per year | 9% | 7.6% | 7.7% |
| Recruit new personnel into the National Guard | New personnel processed into National Guard | 2,267 | 2,000 | 2,060 |

Law, Safety and Correction

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|---|---------------------|------------------------|------------------------|
| Provide training to National Guard personnel | Personnel trained | 1,634 | 1,795 | 2,000 |
| • Facilities | | | | |
| Maintain facilities at border state annual average of \$9 /sq. ft. | State expenditures per square foot in TN | \$0.17 | \$0.18 | \$0.19 |
| • Emergency Management Activities | | | | |
| Disaster assistance activities | Disaster assistance open contracts | 218 | 115 | 275 |
| Provide emergency assistance to local communities | Local emergency management open contracts | 75 | 190 | 85 |
| Provide emergency management training opportunities | Emergency management training courses | 227 | 250 | 300 |
| Provide terrorism management training opportunities | Terrorism training courses | 160 | 200 | 225 |
| Provide terrorism assistance for local governments | Terrorism assistance contracts | 100 | 100 | 100 |

Tennessee Bureau of Investigation

• Criminal Investigations - Field

| | | | | |
|-------------------------------|--------------|-----|-----|-----|
| Response to criminal activity | Cases opened | 485 | 490 | 495 |
| Response to criminal activity | Cases active | 845 | 850 | 850 |
| Response to criminal activity | Cases closed | 496 | 500 | 505 |
| Response to criminal activity | Convictions | 260 | 265 | 270 |

• Criminal Investigations - Criminal Intelligence

| | | | | |
|---|---------------------|-------|-------|-------|
| Computer evidence recovery | Computers examined | 75 | 75 | 75 |
| Maintain the sex offender registry database | Subjects registered | 5,391 | 5,600 | 5,800 |
| Response to criminal activity | Cases opened | 426 | 430 | 430 |
| Response to criminal activity | Cases closed | 480 | 480 | 480 |
| Response to criminal activity | Cases active | 60 | 60 | 60 |

• Criminal Investigation - Medicaid Fraud

| | | | | |
|---|--------------|-----|-----|-----|
| Assist in Medicaid fraud investigations | Cases opened | 58 | 60 | 60 |
| Assist in Medicaid fraud investigations | Cases closed | 58 | 60 | 60 |
| Assist in Medicaid fraud investigations | Active cases | 118 | 120 | 120 |
| Assist in Medicaid fraud investigations | Convictions | 23 | 20 | 20 |

Law, Safety and Correction

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|---|---------------------|------------------------|------------------------|
| • Forensic Services | | | | |
| Perform forensic activities as needed | Total alcohol tests conducted | 12,781 | 13,100 | 12,750 |
| Perform forensic activities as needed | Total drug tests performed | 111,349 | 116,900 | 113,600 |
| Perform forensic activities as needed | Total firearms identification tests completed | 7,065 | 7,400 | 7,200 |
| Perform forensic activities as needed | Total latent print examinations performed | 21,296 | 21,300 | 20,700 |
| Perform forensic activities as needed | Total microanalysis examinations performed | 23,793 | 24,800 | 24,100 |
| Perform forensic activities as needed | Total DNA/Serology tests conducted | 44,855 | 51,700 | 51,200 |
| Perform forensic activities as needed | Total toxicology tests performed | 27,486 | 32,400 | 31,500 |
| • Backlog Information | | | | |
| Reduce alcohol testing backlog | Wait time for results (weeks) | 2 | 4 | 5 |
| Reduce drug testing backlog | Wait time for results (weeks) | 11 | 14 | 16 |
| Reduce firearms identification testing backlog | Wait time for results (weeks) | 13 | 19 | 21 |
| Reduce latent print examination backlog | Wait time for results (weeks) | 19 | 28 | 40 |
| Reduce microanalysis examination backlog | Wait time for results (weeks) | 6 | 11 | 16 |
| Reduce DNA/serology examination backlog | Wait time for results (weeks) | 11 | 23 | 27 |
| Reduce toxicology testing backlog | Wait time for results (weeks) | 27 | 19 | 25 |
| • Drug Investigations | | | | |
| Investigate and reduce narcotics activities | Cases opened | 359 | 360 | 351 |
| Investigate and reduce narcotics activities | Cases closed | 385 | 385 | 375 |
| Investigate and reduce narcotics activities | Cases active | 1,096 | 1,100 | 1,075 |
| Investigate and reduce narcotics activities | Convictions | 687 | 690 | 675 |
| • Information Systems - Uniform Crime Reporting | | | | |
| Data integrity | Audit TIBRS data of local law enforcement | 289 | 290 | 290 |
| Train public entities in uniform crime reporting techniques | Persons trained | 2,223 | 2,200 | 2,200 |

Law, Safety and Correction

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|--|---------------------|------------------------|------------------------|
| • Information Systems - Law Enforcement Support Unit | | | | |
| Data integrity | Compliance audits performed | 186 | 190 | 190 |
| Train public entities in the Tennessee Information Enforcement System | TIES users trained | 2,517 | 2,500 | 2,500 |
| • Information Systems - Records and Identification | | | | |
| Maintain adequate fingerprint records | Fingerprint cards processed | 419,911 | 461,900 | 500,000 |
| • Information Systems - Tennessee Instant Check | | | | |
| Decrease the number of illegal weapons sales | Stolen firearms identified | 188 | 190 | 190 |
| Decrease the number of illegal weapons sales | Tennessee Instant Check System (TICS) transactions denied | 11,171 | 12,000 | 12,500 |
| Decrease the number of illegal weapons sales | Tennessee Instant Check Systems (TICS) transactions approved | 205,543 | 206,000 | 207,000 |
| Decrease the number of illegal weapons sales | Wanted persons identified | 186 | 190 | 190 |
| Safety | | | | |
| • Administration | | | | |
| Maximizing federal funds by obtaining new grants | Dollar amount | \$5,559,272 | \$7,895,600 | \$7,571,900 |
| • Driver License Issuance | | | | |
| Issue driver licenses and Identification cards | Total licenses and identification cards issued | 1,419,733 | 1,390,000 | 1,430,000 |
| Provide alternative to traditional service | Percentage of "self-service" driver license renewals | 30% | 34% | 37% |
| Process driver license renewals | Driver license renewals updated | 692,719 | 680,000 | 700,000 |
| • Handgun Permit | | | | |
| Issue handgun carry permits | Permits issued | 52,859 | 45,000 | 40,500 |
| Issue handgun carry permit renewals | Average turnaround (days) | 33 | 32 | 30 |
| • Highway Patrol | | | | |
| Maintain public safety and enforce the law | Percentage of total crashes investigated by Highway Patrol resulting in DUI conviction | 6.6% | 7.2% | 7.5% |
| Maintain public safety and enforce the law | DUI citations issued | 4,301 | 4,344 | 4,387 |
| Maintain public safety and enforce the law | Child restraint citations issued | 5,408 | 5,462 | 5,516 |

Law, Safety and Correction

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|--|---------------------|------------------------|------------------------|
| Maintain public safety and enforce the law | Other citations issued | 403,641 | 440,081 | 476,521 |
| Maintain public safety and enforce the law | Property damage accidents investigated | 17,092 | 17,732 | 18,372 |
| Maintain public safety and enforce the law | Injury accidents investigated | 11,728 | 11,845 | 11,963 |
| Maintain public safety and enforce the law | Fatal accidents investigated | 630 | 636 | 643 |
| • Commercial Vehicle Division | | | | |
| Improve commercial vehicle safety | Safety inspections performed | 61,709 | 63,000 | 63,000 |
| Reduce commercial vehicle fatalities | Number of commercial vehicle fatalities | 101 | 90 | 90 |
| • Pupil Transportation | | | | |
| Promote pupil safety through school bus driver training | School bus drivers certified | 12,360 | 13,300 | 13,300 |
| Promote pupil safety through school bus inspections | School buses inspected | 11,376 | 11,600 | 11,600 |
| • Capitol Police | | | | |
| Enhance security | Number of thefts | 30 | 34 | 30 |
| Enhance security | Number of vandalisms | 13 | 17 | 13 |
| Improve parking | Parking citations issued | 1,141 | 1,160 | 1,141 |
| • Criminal Investigations Division | | | | |
| Reduce vehicle thefts | Vehicle theft related cases investigated | 282 | 306 | 330 |
| Recover stolen vehicles | Stolen or altered vehicles recovered | 186 | 210 | 234 |
| Regulate the salvage industry | Salvage yard audits and inspections | 103 | 127 | 151 |
| Inspect salvage and rebuilt vehicles | Vehicles inspected | 4,546 | 4,558 | 4,570 |
| Enforce Tennessee title laws | Title fraud cases investigated | 87 | 111 | 135 |
| Provide consumer protection against odometer fraud | Odometer tampering investigations | 128 | 140 | 152 |
| Increase public awareness and training | Hours conducting training | 396 | 420 | 444 |
| Reduce driver license fraud | Driver license fraud complaints/cases investigated | 1,251 | 1,275 | 1,299 |
| Assist uniform division in vehicular homicide cases | Vehicular homicide investigations | 55 | 67 | 79 |
| Conduct other type investigations as needed | Special assignment investigations | 175 | 181 | 187 |

Law, Safety and Correction

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|--|---------------------|------------------------|------------------------|
| • Motorcycle Rider Education | | | | |
| Students trained | Train Tennessee motorcyclist's (beginners and experienced) | 4,066 | 4,800 | 5,000 |
| Motorcycle safety | Training of certified instructors | 46 | 48 | 50 |
| • Motor Vehicle Operations | | | | |
| Promote highway safety | Percentage of pursuit vehicles operating with mileage in excess of 100,000 | 25% | 20% | 18% |
| • Driver Education | | | | |
| Provide information on highway safety to the motoring public | Number of drivers provided information on highway safety | 115,000 | 120,000 | 120,000 |
| • Law Enforcement Training Academy | | | | |
| Train law enforcement personnel | Police officers trained | 1,516 | 1,700 | 1,700 |
| Train law enforcement personnel | Specialized training schools offered | 45 | 48 | 45 |
| • P.O.S.T. Commission | | | | |
| Promote in-service training | Police officers paid supplements | 11,272 | 11,687 | 11,975 |
| • Titling and Registration | | | | |
| Process titles for vehicles | Titles issued | 2,121,339 | 2,227,400 | 2,338,700 |
| Process vehicle registrations | Vehicle registrations | 5,876,324 | 6,052,600 | 6,234,100 |
| Regulate vehicle rebuilders | Salvage certificates converted to titles | 12,044 | 12,068 | 10,000 |
| Calls answered | Incoming calls | 2,575,82 | 2,318,00 | 2,086,00 |
| • Financial Responsibility | | | | |
| Reinstatement of driver licenses | Number of reinstatement transactions entered on drivers' records | 175,909 | 175,000 | 157,500 |
| Revoke, suspend or cancel driver licenses | Number of licenses revoked/suspended/canceled transactions entered on drivers' records | 250,567 | 250,000 | 225,000 |
| Revoke, suspend or cancel driver licenses | DUI offenses as percentage of total licenses revoked/suspended/cancelled | 11% | 12% | 11% |
| • Driver Improvement | | | | |
| Driver improvement hearings | Hearings held | 10,980 | 11,900 | 12,000 |

Resources and Regulation

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Resources and Regulation

Recommended Budget, Fiscal Year 2003 – 2004

The Resources and Regulation functional group includes eight agencies that promote and protect the state's natural, historical, and cultural resources and its consumers and workers.

Three departments promote consumer protection and safety in the work place:

- Department of Commerce and Insurance
- Department of Financial Institutions
- Department of Labor and Workforce Development.

These departments regulate and promote education in businesses and occupations to ensure professionalism and consumer safety; regulate insurance, commercial banking, and money-lending industries to ensure soundness and protect the interests of depositors and policy-holders; and regulate the work-place to ensure worker health and safety, fair wages, and compensation for work-related injuries.

Three agencies promote and protect cultural and historical resources:

- Tennessee Arts Commission
- Tennessee State Museum
- Tennessee Historical Commission.

Together, these agencies promote interest, education, and participation in the arts through financial support to artists and supporters of the arts; protect and preserve artifacts that are significant to our natural and cultural history; and promote the preservation of and public access to historical sites across the state through purchase and financial support.

The following two agencies promote and ensure the conservation of Tennessee's agricultural, environmental, and natural resources:

- Department of Environment and Conservation
- Tennessee Wildlife Resources Agency.

These agencies promote preservation of the state's environmental resources, protection from hazardous waste and radiation exposure, and reclamation of abandoned lands; promote recreation on public and private lands, including the state's geological, archaeological, and park resources; protect and conserve all species of wildlife native to the state; administer hunting and boating safety laws; enforce the litter control laws; stabilize river banks; and maintain drainage patterns to conserve agricultural land in West Tennessee.

Improvement Highlights

Department of Environment and Conservation

The budget provides 26 new positions and operational costs, funded at \$1.3 million from the Environmental Protection Fund, for compliance with requirements of the federal Clean Air and Clean Water acts.

A regulatory fee-funded improvement of \$293,200 is recommended for additional attorneys and an investigator position to handle increased workloads related to environmental regulations.

Federally-funded improvements are recommended in the amounts of \$107,600 for the lead-based paint program and \$108,700 for the administration of water and wastewater infrastructure projects.

Also included in the budget is a \$500,000 state appropriation for maintenance projects of the West Tennessee River Basin Authority.

Wildlife Resources Agency

The recommended budget provides \$335,300 from Tennessee Wildlife Resources Agency funds for annualization of the statutory salary increases given in 2002-2003. A statutory salary increase for wildlife personnel is not recommended for fiscal year 2003-2004, because a salary increase for other state employees is not funded in this budget.

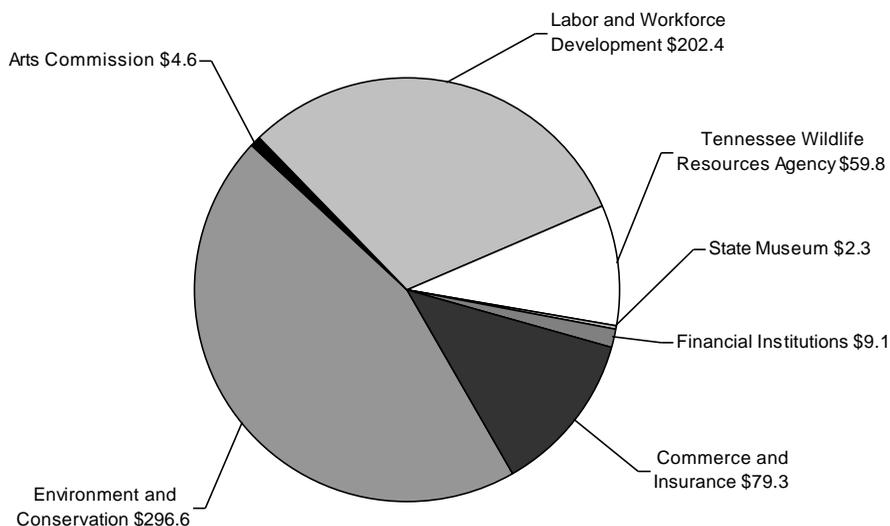
Department of Commerce and Insurance

The Administration recommends \$250,000 from program fees for increased audits and inspections in the state manufactured housing inspection program.

Also recommended is \$205,900 for the state's E-911 Emergency Communications Board, funded from dedicated taxes. This will provide three positions to strengthen auditing, to monitor and evaluate related state and federal legislation, and to improve public information about the program.

The following graph depicts the manner in which funds are divided among the departments within the functional group. Funding mixes within each department vary, as some are exclusively state funded, while others represent state, federal, and other sources of funding.

Resources and Regulation FY 2003 - 2004 Recommended



In Millions
\$654,056,500 Total

Resources and Regulation Total Personnel and Funding

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Recommended 2003-2004</u> |
|---------------------|-----------------------------|--------------------------------|----------------------------------|
| Personnel | | | |
| Full Time | 5,308 | 5,354 | 5,296 |
| Part Time | 893 | 903 | 903 |
| Seasonal | 611 | 590 | 590 |
| TOTAL | 6,812 | 6,847 | 6,789 |
| Expenditures | | | |
| Payroll | \$205,941,200 | \$246,868,700 | \$242,802,700 |
| Operational | 326,082,200 | 428,468,600 | 411,253,800 |
| TOTAL | \$532,023,400 | \$675,337,300 | \$654,056,500 |
| Funding | | | |
| State | \$220,706,600 | \$275,604,000 | \$264,709,100 |
| Federal | 169,269,500 | 227,197,400 | 232,057,700 |
| Other | 142,047,300 | 172,535,900 | 157,289,700 |

**Resources and Regulation
Improvements for Fiscal Year 2003-2004**

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> | <u>Positions</u> |
|--|--------------------|------------------|--------------------|--------------------|------------------|
| Environment and Conservation | | | | | |
| • Air and Water Quality | | | | | |
| To provide funding for 11 positions for Air Pollution Control and 15 positions in Water Pollution Control to comply with additional requirements and increased workloads related to the federal Clean Air and Clean Water Acts respectively. Funding for this improvement will come from dedicated Environmental Protection Fund (EPF) fees. | | | | | |
| 327.31 Air Pollution Control | \$0 | \$0 | \$652,800 | \$652,800 | 11 |
| 327.34 Water Pollution Control | \$0 | \$0 | \$650,700 | \$650,700 | 15 |
| 327.43 Environmental Protection Fund | \$1,303,500 | \$0 | \$0 | \$1,303,500 | 0 |
| Sub-total | <u>\$1,303,500</u> | <u>\$0</u> | <u>\$1,303,500</u> | <u>\$2,607,000</u> | <u>26</u> |
| • Environmental Regulation | | | | | |
| To provide funding for additional attorneys and an investigator position to handle increased workloads related to environmental enforcement cases. | | | | | |
| 327.01 Administrative Services | \$0 | \$0 | \$236,500 | \$236,500 | 4 |
| 327.30 Environment Administration | \$0 | \$0 | \$56,700 | \$56,700 | 1 |
| Sub-total | <u>\$0</u> | <u>\$0</u> | <u>\$293,200</u> | <u>\$293,200</u> | <u>5</u> |
| • Water and Wastewater | | | | | |
| To provide two federally-funded positions for administration of Environmental Protection Agency grants to communities for water and wastewater infrastructure. | | | | | |
| 327.33 Community Assistance | \$0 | \$108,700 | \$0 | \$108,700 | 2 |
| Sub-total | <u>\$0</u> | <u>\$108,700</u> | <u>\$0</u> | <u>\$108,700</u> | <u>2</u> |
| • Lead-based Paint | | | | | |
| To provide two federally-funded positions for the lead-based paint program. | | | | | |
| 327.35 Solid Waste Management | \$0 | \$107,600 | \$0 | \$107,600 | 2 |
| Sub-total | <u>\$0</u> | <u>\$107,600</u> | <u>\$0</u> | <u>\$107,600</u> | <u>2</u> |
| • West Tennessee Rivers | | | | | |
| To provide funding to continue major maintenance projects of the West Tennessee River Basin Authority. | | | | | |
| 327.24 West Tennessee River Basin Authority Maintenance | \$500,000 | \$0 | \$0 | \$500,000 | 0 |
| Sub-total | <u>\$500,000</u> | <u>\$0</u> | <u>\$0</u> | <u>\$500,000</u> | <u>0</u> |
| Total Environment and Conservation | <u>\$1,803,500</u> | <u>\$216,300</u> | <u>\$1,596,700</u> | <u>\$3,616,500</u> | <u>35</u> |

Resources and Regulation Improvements for Fiscal Year 2003-2004

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> | <u>Positions</u> |
|--|--------------------|------------------|--------------------|--------------------|------------------|
| Tennessee Wildlife Resources Agency | | | | | |
| • Statutory Salary Increase - Annualize FY 2002-2003 Raises | | | | | |
| To annualize funding for salary increases given in fiscal year 2002-2003 for the agency's officers, biologists, and other unique positions as mandated by TCA 70-1-309. | | | | | |
| 328.01 Wildlife Resources Agency | \$297,600 | \$0 | \$0 | \$297,600 | 0 |
| 328.02 Boating Safety | \$37,700 | \$0 | \$0 | \$37,700 | 0 |
| Sub-total | \$335,300 | \$0 | \$0 | \$335,300 | 0 |
| Total Tennessee Wildlife Resources Agency | \$335,300 | \$0 | \$0 | \$335,300 | 0 |
| Commerce and Insurance | | | | | |
| • Manufactured Housing Inspection | | | | | |
| To provide funding for one manufactured home anchoring manager, three manufactured home anchoring auditors, and one administrative assistant. These positions will assist in increased inspections and audits of the manufactured home industry. This will be funded by fees authorized by Acts of 2002, Public Chapter 793. | | | | | |
| 335.03 Fire Prevention | \$0 | \$0 | \$250,000 | \$250,000 | 5 |
| Sub-total | \$0 | \$0 | \$250,000 | \$250,000 | 5 |
| • E-911 Emergency Communications | | | | | |
| To provide funding for three additional positions to strengthen the auditing of the state's 101 local E-911 districts, to monitor and evaluate the impact of related state and federal legislation, and to improve public information about the program. This activity is funded from dedicated taxes. | | | | | |
| 335.08 911 Emergency Communications Fund | \$205,900 | \$0 | \$0 | \$205,900 | 3 |
| Sub-total | \$205,900 | \$0 | \$0 | \$205,900 | 3 |
| Total Commerce and Insurance | \$205,900 | \$0 | \$250,000 | \$455,900 | 8 |
| Total Resources and Regulation | \$2,344,700 | \$216,300 | \$1,846,700 | \$4,407,700 | 43 |

Tennessee Arts Commission

The Tennessee Arts Commission promotes interest and participation in the performing, visual, and literary arts by providing financial support to artists, arts organizations, and arts supporters. This financial support includes:

- Supporting not-for-profit organizations and events through various grant programs
- Matching private contributions with federal funds to provide technical assistance and other services.

The commission increases public awareness of arts opportunities by producing newsletters and special publications. It also provides program and operational support to the Tennessee State Museum.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 316.25 Tennessee Arts Commission | | | | | |
| Full-Time | 18 | 18 | 18 | 0 | 18 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 18 | 18 | 18 | 0 | 18 |
| Payroll | 769,400 | 829,900 | 829,900 | 0 | 829,900 |
| Operational | 4,228,100 | 4,175,200 | 3,781,600 | 0 | 3,781,600 |
| Total | \$4,997,500 | \$5,005,100 | \$4,611,500 | \$0 | \$4,611,500 |
| State | 4,423,900 | 4,373,600 | 3,980,000 | 0 | 3,980,000 |
| Federal | 573,600 | 631,500 | 631,500 | 0 | 631,500 |
| Other | 0 | 0 | 0 | 0 | 0 |

Tennessee State Museum

The Tennessee State Museum collects, preserves, interprets, and exhibits artifacts that are significant to the natural and cultural history of Tennessee. The museum's primary duties include:

- Conserving, storing, and securing the museum's collections
- Sponsoring national and regional exhibits of significance
- Providing technical assistance in the conservation and restoration of artifacts for the development of new museums
- Providing Tennessee citizens with educational programs and services
- Maintaining administrative oversight of the National Civil Rights Museum

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 316.27 Tennessee State Museum | | | | | |
| Full-Time | 35 | 35 | 33 | 0 | 33 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 35 | 35 | 33 | 0 | 33 |
| Payroll | 1,389,600 | 1,465,000 | 1,414,500 | 0 | 1,414,500 |
| Operational | 997,500 | 1,093,700 | 918,400 | 0 | 918,400 |
| Total | \$2,387,100 | \$2,558,700 | \$2,332,900 | \$0 | \$2,332,900 |
| State | 2,320,500 | 2,508,700 | 2,282,900 | 0 | 2,282,900 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 66,600 | 50,000 | 50,000 | 0 | 50,000 |

Department of Environment and Conservation

The Department of Environment and Conservation enhances the quality of life for all Tennesseans by protecting, preserving, and improving the quality of Tennessee's air, land, and water; providing an understandable and responsive regulatory system; conserving and promoting Tennessee's natural and cultural resources; and providing a variety of quality recreational experiences. The department operates under the following four bureaus:

- Administration
- Conservation Services
- Environment
- Tennessee State Parks.

Administration

Administration provides overall policy management and support services, including environmental policy, fiscal services, human resources, information systems, internal audit, legal services, marketing development, and public information to all areas of the department. Administration also provides direction and supervision to the Elk River Resources Management division.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 327.01 Administrative Services | | | | | |
| Full-Time | 175 | 174 | 165 | 4 | 169 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 175 | 174 | 165 | 4 | 169 |
| Payroll | 7,242,000 | 8,363,900 | 8,035,500 | 211,600 | 8,247,100 |
| Operational | 3,768,200 | 3,628,900 | 3,282,900 | 24,900 | 3,307,800 |
| Total | \$11,010,200 | \$11,992,800 | \$11,318,400 | \$236,500 | \$11,554,900 |
| State | 5,032,900 | 5,924,300 | 5,576,500 | 0 | 5,576,500 |
| Federal | 2,977,200 | 1,801,800 | 1,705,600 | 0 | 1,705,600 |
| Other | 3,000,100 | 4,266,700 | 4,036,300 | 236,500 | 4,272,800 |

The Elk River Resource Management division was established to administer programs of the former Tennessee Elk River Development Agency. These include the completion of Tennessee Valley Authority contractual obligations and agreements, disposition of real property, and distribution of funds to ten counties in the Elk River watershed.

327.17 Elk River Resource Management

| | | | | | |
|--------------|----------|----------|----------|----------|----------|
| Full-Time | 5 | 5 | 5 | 0 | 5 |
| Part-Time | 1 | 1 | 1 | 0 | 1 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 6 | 6 | 6 | 0 | 6 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 172,100 | 186,800 | 186,800 | 0 | 186,800 |
| Operational | 89,000 | 907,500 | 907,500 | 0 | 907,500 |
| Total | \$261,100 | \$1,094,300 | \$1,094,300 | \$0 | \$1,094,300 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 261,100 | 1,094,300 | 1,094,300 | 0 | 1,094,300 |

Conservation Services

Conservation Services works to identify and preserve significant historical, geological, and archaeological sites, as well as Tennessee's rich diversity of natural resources.

Recreation resources facilitates the development of local parks and recreation activities by providing technical, financial, and planning resources.

Conservation Administration publishes the *Tennessee Conservationist* magazine to educate the public about the preservation, protection, and wise use of the state's natural and cultural resources. Administrative assistance to the Tennessee Historical Commission is also provided through Conservation Administration.

327.03 Conservation Administration

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 15 | 15 | 13 | 0 | 13 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 15 | 15 | 13 | 0 | 13 |
| Payroll | 572,700 | 667,000 | 594,800 | 0 | 594,800 |
| Operational | 1,229,100 | 4,494,300 | 4,455,700 | 0 | 4,455,700 |
| Total | \$1,801,800 | \$5,161,300 | \$5,050,500 | \$0 | \$5,050,500 |
| State | 687,000 | 606,900 | 496,100 | 0 | 496,100 |
| Federal | 940,500 | 4,304,400 | 4,304,400 | 0 | 4,304,400 |
| Other | 174,300 | 250,000 | 250,000 | 0 | 250,000 |

327.04 Historical Commission

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 15 | 15 | 15 | 0 | 15 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 15 | 15 | 15 | 0 | 15 |
| Payroll | 600,100 | 654,000 | 654,000 | 0 | 654,000 |
| Operational | 1,310,900 | 1,338,300 | 1,265,400 | 0 | 1,265,400 |
| Total | \$1,911,000 | \$1,992,300 | \$1,919,400 | \$0 | \$1,919,400 |
| State | 860,500 | 1,362,200 | 1,289,300 | 0 | 1,289,300 |
| Federal | 1,048,700 | 625,100 | 625,100 | 0 | 625,100 |
| Other | 1,800 | 5,000 | 5,000 | 0 | 5,000 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 327.06 Land and Water Conservation Fund | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 0 | 750,000 | 750,000 | 0 | 750,000 |
| Total | \$0 | \$750,000 | \$750,000 | \$0 | \$750,000 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 750,000 | 750,000 | 0 | 750,000 |
| Other | 0 | 0 | 0 | 0 | 0 |
| 327.08 Archaeology | | | | | |
| Full-Time | 12 | 12 | 10 | 0 | 10 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 6 | 6 | 6 | 0 | 6 |
| Total | 18 | 18 | 16 | 0 | 16 |
| Payroll | 549,400 | 606,200 | 539,200 | 0 | 539,200 |
| Operational | 52,000 | 112,600 | 110,000 | 0 | 110,000 |
| Total | \$601,400 | \$718,800 | \$649,200 | \$0 | \$649,200 |
| State | 484,000 | 513,600 | 444,000 | 0 | 444,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 117,400 | 205,200 | 205,200 | 0 | 205,200 |
| 327.11 Geology | | | | | |
| Full-Time | 23 | 23 | 20 | 0 | 20 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 23 | 23 | 20 | 0 | 20 |
| Payroll | 985,700 | 1,100,800 | 911,800 | 0 | 911,800 |
| Operational | 369,800 | 384,000 | 383,400 | 0 | 383,400 |
| Total | \$1,355,500 | \$1,484,800 | \$1,295,200 | \$0 | \$1,295,200 |
| State | 1,148,300 | 1,329,200 | 1,139,600 | 0 | 1,139,600 |
| Federal | 44,900 | 81,100 | 81,100 | 0 | 81,100 |
| Other | 162,300 | 74,500 | 74,500 | 0 | 74,500 |
| 327.18 Maintenance of Historic Sites | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 172,300 | 200,000 | 185,000 | 0 | 185,000 |
| Total | \$172,300 | \$200,000 | \$185,000 | \$0 | \$185,000 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| State | 172,300 | 200,000 | 185,000 | 0 | 185,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

The Local Parks Acquisition Fund and the State Lands Acquisition Fund are used to purchase land for parks, natural areas, and state forests, and are used for trail development and other eligible projects.

327.19 Local Parks Acquisition Fund

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 1,863,600 | 3,000,000 | 3,000,000 | 0 | 3,000,000 |
| Total | \$1,863,600 | \$3,000,000 | \$3,000,000 | \$0 | \$3,000,000 |
| State | 1,520,500 | 3,000,000 | 3,000,000 | 0 | 3,000,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 343,100 | 0 | 0 | 0 | 0 |

327.20 State Lands Acquisition Fund

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 6,308,400 | 4,000,000 | 4,000,000 | 0 | 4,000,000 |
| Total | \$6,308,400 | \$4,000,000 | \$4,000,000 | \$0 | \$4,000,000 |
| State | 5,620,400 | 4,000,000 | 4,000,000 | 0 | 4,000,000 |
| Federal | 498,000 | 0 | 0 | 0 | 0 |
| Other | 190,000 | 0 | 0 | 0 | 0 |

The West Tennessee River Basin Authority preserves the natural flow and function of the Hatchie, Obion, and Forked Deer river basins through environmentally sensitive stream maintenance and appropriate conservation practices in upland settings.

327.26 West Tennessee River Basin Authority

| | | | | | |
|--------------|------------------|------------------|------------------|------------|------------------|
| Full-Time | 15 | 15 | 15 | 0 | 15 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 15 | 15 | 15 | 0 | 15 |
| Payroll | 587,900 | 640,500 | 640,500 | 0 | 640,500 |
| Operational | 324,700 | 331,400 | 327,000 | 0 | 327,000 |
| Total | \$912,600 | \$971,900 | \$967,500 | \$0 | \$967,500 |
| State | 711,800 | 762,000 | 682,600 | 0 | 682,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 200,800 | 209,900 | 284,900 | 0 | 284,900 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|

327.24 West Tennessee River Basin Authority Maintenance

| | | | | | |
|--------------|------------------|------------------|------------|------------------|------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 178,500 | 180,000 | 0 | 500,000 | 500,000 |
| Total | \$178,500 | \$180,000 | \$0 | \$500,000 | \$500,000 |
| State | 0 | 0 | 0 | 500,000 | 500,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 178,500 | 180,000 | 0 | 0 | 0 |

Environment

The environmental programs in the department are responsible for the preservation and enhancement of the state's environmental resources and for ensuring compliance with state and federal regulations. Environment Administration provides coordination of environmental activities in state policy development and technical assistance as well as management and support services for eight Environmental Assistance Centers.

327.30 Environment Administration

| | | | | | |
|--------------|--------------------|--------------------|--------------------|-----------------|--------------------|
| Full-Time | 83 | 83 | 81 | 1 | 82 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 83 | 83 | 81 | 1 | 82 |
| Payroll | 3,024,600 | 3,435,300 | 3,315,300 | 45,400 | 3,360,700 |
| Operational | 891,300 | 1,296,800 | 1,299,600 | 11,300 | 1,310,900 |
| Total | \$3,915,900 | \$4,732,100 | \$4,614,900 | \$56,700 | \$4,671,600 |
| State | 1,752,500 | 1,602,700 | 1,303,700 | 0 | 1,303,700 |
| Federal | 0 | 21,200 | 21,100 | 0 | 21,100 |
| Other | 2,163,400 | 3,108,200 | 3,290,100 | 56,700 | 3,346,800 |

The Natural Heritage division identifies and protects the state's natural areas to promote the conservation of rare or endangered species of plants and animals.

327.14 Natural Heritage

| | | | | | |
|--------------|------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 12 | 14 | 13 | 0 | 13 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 3 | 1 | 1 | 0 | 1 |
| Total | 15 | 15 | 14 | 0 | 14 |
| Payroll | 543,000 | 653,300 | 585,500 | 0 | 585,500 |
| Operational | 247,300 | 469,600 | 449,000 | 0 | 449,000 |
| Total | \$790,300 | \$1,122,900 | \$1,034,500 | \$0 | \$1,034,500 |
| State | 661,000 | 739,100 | 650,700 | 0 | 650,700 |
| Federal | 37,900 | 261,300 | 261,300 | 0 | 261,300 |
| Other | 91,400 | 122,500 | 122,500 | 0 | 122,500 |

The Used Oil Collection Program promotes education and public awareness and provides financial assistance for used oil disposal.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 327.23 Used Oil Collection Program | | | | | |
| Full-Time | 3 | 3 | 3 | 0 | 3 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 3 | 3 | 3 | 0 | 3 |
| Payroll | 111,300 | 201,500 | 201,500 | 0 | 201,500 |
| Operational | 1,673,000 | 1,299,600 | 1,299,600 | 0 | 1,299,600 |
| Total | \$1,784,300 | \$1,501,100 | \$1,501,100 | \$0 | \$1,501,100 |
| State | 1,659,000 | 1,267,100 | 1,267,100 | 0 | 1,267,100 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 125,300 | 234,000 | 234,000 | 0 | 234,000 |

The Tennessee Dry Cleaners Environmental Response Fund is used to:

- Reimburse dry cleaner owners or operators, property owners, and impacted third parties for the investigation and remediation of sites contaminated by dry cleaning solvents
- Provide oversight of use and disposal of dry cleaning solvents used in dry cleaning operations.

327.28 Tennessee Dry Cleaners Environmental Response Fund

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 8 | 8 | 8 | 0 | 8 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 8 | 8 | 8 | 0 | 8 |
| Payroll | 292,100 | 373,800 | 373,800 | 0 | 373,800 |
| Operational | 1,592,800 | 2,054,700 | 2,054,700 | 0 | 2,054,700 |
| Total | \$1,884,900 | \$2,428,500 | \$2,428,500 | \$0 | \$2,428,500 |
| State | 1,719,000 | 2,428,500 | 2,428,500 | 0 | 2,428,500 |
| Federal | 5,000 | 0 | 0 | 0 | 0 |
| Other | 160,900 | 0 | 0 | 0 | 0 |

Air Pollution Control ensures compliance with applicable state and federal air standards. The Small Business Clean Air Assistance program assists small businesses in voluntarily complying with air pollution regulations.

327.31 Air Pollution Control

| | | | | | |
|--------------|--------------------|---------------------|--------------------|------------------|---------------------|
| Full-Time | 145 | 145 | 142 | 11 | 153 |
| Part-Time | 12 | 12 | 12 | 0 | 12 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 157 | 157 | 154 | 11 | 165 |
| Payroll | 6,093,900 | 7,520,200 | 7,181,100 | 491,800 | 7,672,900 |
| Operational | 2,625,600 | 2,904,300 | 2,709,500 | 161,000 | 2,870,500 |
| Total | \$8,719,500 | \$10,424,500 | \$9,890,600 | \$652,800 | \$10,543,400 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| State | 1,217,000 | 1,665,900 | 1,140,400 | 0 | 1,140,400 |
| Federal | 1,081,100 | 1,538,700 | 1,538,700 | 0 | 1,538,700 |
| Other | 6,421,400 | 7,219,900 | 7,211,500 | 652,800 | 7,864,300 |

Radiological Health regulates the possession, use, transportation, and disposition of radiation-producing machines and radioactive materials.

327.32 Radiological Health

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 69 | 69 | 68 | 0 | 68 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 69 | 69 | 68 | 0 | 68 |
| Payroll | 2,620,800 | 3,371,900 | 3,292,300 | 0 | 3,292,300 |
| Operational | 2,761,200 | 1,555,600 | 1,540,800 | 0 | 1,540,800 |
| Total | \$5,382,000 | \$4,927,500 | \$4,833,100 | \$0 | \$4,833,100 |
| State | 276,800 | 386,800 | 360,600 | 0 | 360,600 |
| Federal | 95,500 | 72,900 | 72,900 | 0 | 72,900 |
| Other | 5,009,700 | 4,467,800 | 4,399,600 | 0 | 4,399,600 |

Community Assistance provides environmental multi-media, financial, and technical assistance, which promote pollution prevention, re-use, and recycling. This division is also charged with the oversight of the following programs:

- Clean Water State Revolving Fund
- Drinking Water State Revolving Fund
- Pollution Prevention
- Lead Hazard Awareness
- Wastewater Treatment Operators Certification Program.

327.33 Community Assistance

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------------|---------------------|
| Full-Time | 46 | 45 | 45 | 2 | 47 |
| Part-Time | 4 | 4 | 4 | 0 | 4 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 50 | 49 | 49 | 2 | 51 |
| Payroll | 1,719,100 | 2,221,400 | 2,221,400 | 92,300 | 2,313,700 |
| Operational | 18,388,800 | 50,291,000 | 49,182,000 | 16,400 | 49,198,400 |
| Total | \$20,107,900 | \$52,512,400 | \$51,403,400 | \$108,700 | \$51,512,100 |
| State | 7,155,400 | 7,457,600 | 6,180,600 | 0 | 6,180,600 |
| Federal | 12,041,500 | 44,873,700 | 44,873,700 | 108,700 | 44,982,400 |
| Other | 911,000 | 181,100 | 349,100 | 0 | 349,100 |

Water Pollution Control protects water quality by abating existing pollution, reclaiming polluted waters, and working to prevent future pollution.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 327.34 Water Pollution Control | | | | | |
| Full-Time | 157 | 160 | 160 | 15 | 175 |
| Part-Time | 8 | 8 | 8 | 0 | 8 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 165 | 168 | 168 | 15 | 183 |
| Payroll | 7,095,400 | 8,303,300 | 8,163,200 | 627,400 | 8,790,600 |
| Operational | 5,458,000 | 5,893,400 | 5,799,300 | 23,300 | 5,822,600 |
| Total | \$12,553,400 | \$14,196,700 | \$13,962,500 | \$650,700 | \$14,613,200 |
| State | 4,758,000 | 5,336,500 | 4,710,600 | 0 | 4,710,600 |
| Federal | 3,072,700 | 3,463,900 | 3,463,900 | 0 | 3,463,900 |
| Other | 4,722,700 | 5,396,300 | 5,788,000 | 650,700 | 6,438,700 |

Solid Waste Management assists in the identification, prevention, and correction of solid and hazardous waste problems by enforcement of the Solid Waste Disposal Act and the Hazardous Waste Management Act.

327.35 Solid Waste Management

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------------|--------------------|
| Full-Time | 143 | 143 | 140 | 2 | 142 |
| Part-Time | 8 | 8 | 8 | 0 | 8 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 151 | 151 | 148 | 2 | 150 |
| Payroll | 6,007,600 | 7,522,000 | 7,353,400 | 79,600 | 7,433,000 |
| Operational | 1,732,300 | 2,035,000 | 1,994,400 | 28,000 | 2,022,400 |
| Total | \$7,739,900 | \$9,557,000 | \$9,347,800 | \$107,600 | \$9,455,400 |
| State | 1,848,900 | 2,131,000 | 1,547,600 | 0 | 1,547,600 |
| Federal | 2,131,800 | 2,592,400 | 2,712,400 | 107,600 | 2,820,000 |
| Other | 3,759,200 | 4,833,600 | 5,087,800 | 0 | 5,087,800 |

Department of Energy (DOE) Oversight ensures the environmental impacts associated with past and present activities of the DOE Oak Ridge Reservation are investigated and appropriately cleaned up.

327.36 DOE Oversight

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 54 | 54 | 54 | 0 | 54 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 54 | 54 | 54 | 0 | 54 |
| Payroll | 2,201,000 | 2,793,900 | 2,793,900 | 0 | 2,793,900 |
| Operational | 805,600 | 3,225,100 | 3,214,200 | 0 | 3,214,200 |
| Total | \$3,006,600 | \$6,019,000 | \$6,008,100 | \$0 | \$6,008,100 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 2,946,100 | 6,019,000 | 6,008,100 | 0 | 6,008,100 |
| Other | 60,500 | 0 | 0 | 0 | 0 |

The Abandoned Lands program provides for the reclamation of coal mining sites for which bonds have been forfeited. In addition, the program inventories and reclaims land abandoned by phosphate, clay, dirt, sand, and gravel operations.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|-------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 327.37 Abandoned Lands | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 0 | 500,000 | 500,000 | 0 | 500,000 |
| Total | \$0 | \$500,000 | \$500,000 | \$0 | \$500,000 |
| State | 0 | 500,000 | 500,000 | 0 | 500,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

The Hazardous Waste Remedial Action Fund supports activities for the identification, investigation, and remediation of inactive hazardous substance sites.

327.38 Hazardous Waste Remedial Action Fund

| | | | | | |
|--------------|--------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 64 | 64 | 64 | 0 | 64 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 64 | 64 | 64 | 0 | 64 |
| Payroll | 2,509,300 | 3,331,600 | 3,331,600 | 0 | 3,331,600 |
| Operational | 4,512,800 | 7,641,900 | 7,562,000 | 0 | 7,562,000 |
| Total | \$7,022,100 | \$10,973,500 | \$10,893,600 | \$0 | \$10,893,600 |
| State | 1,052,000 | 1,065,800 | 1,000,000 | 0 | 1,000,000 |
| Federal | 846,800 | 2,152,100 | 2,152,100 | 0 | 2,152,100 |
| Other | 5,123,300 | 7,755,600 | 7,741,500 | 0 | 7,741,500 |

Water Supply ensures compliance with state and federal public drinking water supply standards.

327.39 Water Supply

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 74 | 79 | 79 | 0 | 79 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 74 | 79 | 79 | 0 | 79 |
| Payroll | 3,223,800 | 3,963,600 | 3,769,100 | 0 | 3,769,100 |
| Operational | 1,848,900 | 1,885,100 | 2,044,200 | 0 | 2,044,200 |
| Total | \$5,072,700 | \$5,848,700 | \$5,813,300 | \$0 | \$5,813,300 |
| State | 380,700 | 963,900 | 702,000 | 0 | 702,000 |
| Federal | 2,878,200 | 2,195,500 | 2,427,100 | 0 | 2,427,100 |
| Other | 1,813,800 | 2,689,300 | 2,684,200 | 0 | 2,684,200 |

Groundwater Protection protects, preserves and improves the quality of Tennessee's groundwater by assuring the proper disposal of domestic wastewaters.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 327.40 Groundwater Protection | | | | | |
| Full-Time | 153 | 153 | 149 | 0 | 149 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 153 | 153 | 149 | 0 | 149 |
| Payroll | 6,427,400 | 7,529,000 | 7,365,000 | 0 | 7,365,000 |
| Operational | 1,888,200 | 1,937,400 | 1,931,000 | 0 | 1,931,000 |
| Total | \$8,315,600 | \$9,466,400 | \$9,296,000 | \$0 | \$9,296,000 |
| State | 3,149,300 | 3,352,100 | 3,185,700 | 0 | 3,185,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 5,166,300 | 6,114,300 | 6,110,300 | 0 | 6,110,300 |

The Underground Storage Tank program regulates the installation, inspection, and possible leakage of underground storage tanks. In addition, the program issues certificates, collects fees, and reimburses allowable environmental investigation costs to eligible underground storage tank owners and operators.

327.41 Underground Storage Tanks

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 84 | 85 | 85 | 0 | 85 |
| Part-Time | 8 | 8 | 8 | 0 | 8 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 92 | 93 | 93 | 0 | 93 |
| Payroll | 3,221,000 | 3,818,400 | 3,818,400 | 0 | 3,818,400 |
| Operational | 18,866,700 | 19,475,700 | 19,475,700 | 0 | 19,475,700 |
| Total | \$22,087,700 | \$23,294,100 | \$23,294,100 | \$0 | \$23,294,100 |
| State | 20,404,000 | 20,993,300 | 20,993,300 | 0 | 20,993,300 |
| Federal | 1,301,000 | 2,300,800 | 2,300,800 | 0 | 2,300,800 |
| Other | 382,700 | 0 | 0 | 0 | 0 |

The Solid Waste Assistance Fund assists in the implementation of the Solid Waste Management Act of 1991, to help plan for future waste disposal needs. The division provides financial assistance and special statewide services to local governments to ensure their compliance with the law.

327.42 Solid Waste Assistance Fund

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 21 | 21 | 21 | 0 | 21 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 21 | 21 | 21 | 0 | 21 |
| Payroll | 839,800 | 948,400 | 948,400 | 0 | 948,400 |
| Operational | 7,084,500 | 8,246,000 | 8,246,000 | 0 | 8,246,000 |
| Total | \$7,924,300 | \$9,194,400 | \$9,194,400 | \$0 | \$9,194,400 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| State | 7,590,900 | 9,194,400 | 9,194,400 | 0 | 9,194,400 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 333,400 | 0 | 0 | 0 | 0 |

The Environmental Protection Fund's purpose is to improve performance in permitting, monitoring, investigation, enforcement, and administration of the department's function under each regulatory program.

327.43 Environmental Protection Fund

| | | | | | |
|--------------|---------------------|---------------------|---------------------|--------------------|---------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 27,420,500 | 35,189,500 | 34,522,500 | 1,303,500 | 35,826,000 |
| Total | \$27,420,500 | \$35,189,500 | \$34,522,500 | \$1,303,500 | \$35,826,000 |
| State | 27,164,900 | 35,189,500 | 34,522,500 | 1,303,500 | 35,826,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 255,600 | 0 | 0 | 0 | 0 |

Tennessee State Parks

Tennessee State Parks preserve unique examples of natural, cultural and scenic areas and provide a variety of quality outdoor experiences for Tennessee's citizens and visitors.

327.12 Tennessee State Parks

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 989 | 986 | 968 | 0 | 968 |
| Part-Time | 171 | 182 | 182 | 0 | 182 |
| Seasonal | 601 | 582 | 582 | 0 | 582 |
| Total | 1,761 | 1,750 | 1,732 | 0 | 1,732 |
| Payroll | 30,970,300 | 35,640,700 | 34,200,900 | 0 | 34,200,900 |
| Operational | 21,231,300 | 23,744,300 | 26,490,900 | 0 | 26,490,900 |
| Total | \$52,201,600 | \$59,385,000 | \$60,691,800 | \$0 | \$60,691,800 |
| State | 23,497,600 | 27,695,400 | 26,781,200 | 0 | 26,781,200 |
| Federal | 37,400 | 0 | 0 | 0 | 0 |
| Other | 28,666,600 | 31,689,600 | 33,910,600 | 0 | 33,910,600 |

327.15 Tennessee State Parks Maintenance

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 31 | 31 | 29 | 0 | 29 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 31 | 31 | 29 | 0 | 29 |
| Payroll | 1,226,300 | 1,411,900 | 1,291,400 | 0 | 1,291,400 |
| Operational | 1,923,200 | 2,371,200 | 2,243,800 | 0 | 2,243,800 |
| Total | \$3,149,500 | \$3,783,100 | \$3,535,200 | \$0 | \$3,535,200 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| State | 2,826,600 | 3,648,500 | 3,400,600 | 0 | 3,400,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 322,900 | 134,600 | 134,600 | 0 | 134,600 |

327.00 Department Total

| | | | | | |
|--------------|----------------------|----------------------|----------------------|--------------------|----------------------|
| Full-Time | 2,396 | 2,402 | 2,352 | 35 | 2,387 |
| Part-Time | 212 | 223 | 223 | 0 | 223 |
| Seasonal | 610 | 589 | 589 | 0 | 589 |
| Total | 3,218 | 3,214 | 3,164 | 35 | 3,199 |
| Payroll | 88,836,600 | 105,259,400 | 101,768,800 | 1,548,100 | 103,316,900 |
| Operational | 136,618,500 | 191,343,200 | 191,226,100 | 2,068,400 | 193,294,500 |
| Total | \$225,455,100 | \$296,602,600 | \$292,994,900 | \$3,616,500 | \$296,611,400 |
| State | 123,351,300 | 143,316,300 | 136,682,600 | 1,803,500 | 138,486,100 |
| Federal | 31,984,300 | 73,053,900 | 73,298,300 | 216,300 | 73,514,600 |
| Other | 70,119,500 | 80,232,400 | 83,014,000 | 1,596,700 | 84,610,700 |

Tennessee Wildlife Resources Agency

The Tennessee Wildlife Resources Agency (TWRA) is charged with preserving and managing all species of wildlife in Tennessee. This agency is also responsible for administering hunting and boating safety laws and enforcing state litter control laws.

The agency is governed by the Tennessee Wildlife Resources Commission. The commission establishes the agency's objectives; promulgates rules, regulations and proclamations; approves the agency's budget; and hires the agency's Executive Director. The TWRA generates revenue from a variety of sources including:

- Hunting and fishing licenses and permits
- Boat registration fees
- Excise taxes on arms, ammunition, bows and arrows, and fishing equipment
- Fines for violations of wildlife, hunting, and boating regulations.

Program responsibilities are divided between the central office and regional offices. Administrative and support services are provided by the central office and include:

- Coordinating the agency's comprehensive planning system
- Coordinating the Geographic Information System
- Administering federal aid programs
- Publishing *Tennessee Wildlife* magazine, hunting and fishing guides, and news releases
- Coordinating hunting and boating education programs
- Administering license sales and boat registration
- Conducting wildlife and fisheries research and coordinating wildlife, fisheries, non-game and endangered species management
- Coordinating law enforcement activities and training
- Coordinating equipment crews and engineering activities, building and maintaining boat access areas and levees, and building forestry logging roads on agency property
- Investigating, reporting, and testifying on environmental issues.

Regional office responsibilities include:

- Law enforcement
- Non-game and endangered species management
- Information and news releases
- Sponsoring hunting and boating safety workshops and classes
- Providing technical assistance to farm pond and small lake owners
- Developing, maintaining, and operating the wildlife management areas, state lakes, and fish hatcheries
- Wildlife and fish data collection.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 328.01 Wildlife Resources Agency | | | | | |
| Full-Time | 589 | 598 | 598 | 0 | 598 |
| Part-Time | 19 | 18 | 18 | 0 | 18 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 608 | 616 | 616 | 0 | 616 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 25,295,100 | 27,466,600 | 27,268,200 | 297,600 | 27,565,800 |
| Operational | 19,595,500 | 28,463,700 | 18,651,600 | 0 | 18,651,600 |
| Total | \$44,890,600 | \$55,930,300 | \$45,919,800 | \$297,600 | \$46,217,400 |
| State | 27,773,100 | 30,718,300 | 28,888,700 | 297,600 | 29,186,300 |
| Federal | 10,983,700 | 12,269,200 | 10,944,800 | 0 | 10,944,800 |
| Other | 6,133,800 | 12,942,800 | 6,086,300 | 0 | 6,086,300 |

328.02 Boating Safety

| | | | | | |
|--------------|--------------------|--------------------|--------------------|-----------------|--------------------|
| Full-Time | 25 | 27 | 27 | 0 | 27 |
| Part-Time | 63 | 63 | 63 | 0 | 63 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 88 | 90 | 90 | 0 | 90 |
| Payroll | 2,811,200 | 3,652,100 | 3,627,000 | 37,700 | 3,664,700 |
| Operational | 3,615,700 | 6,067,000 | 3,664,600 | 0 | 3,664,600 |
| Total | \$6,426,900 | \$9,719,100 | \$7,291,600 | \$37,700 | \$7,329,300 |
| State | 4,393,600 | 5,321,900 | 4,808,400 | 37,700 | 4,846,100 |
| Federal | 1,809,000 | 3,466,400 | 2,298,200 | 0 | 2,298,200 |
| Other | 224,300 | 930,800 | 185,000 | 0 | 185,000 |

328.03 Wetlands Acquisition Fund

| | | | | | |
|--------------|---------------------|---------------------|--------------------|------------|--------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 13,210,500 | 10,538,800 | 6,000,000 | 0 | 6,000,000 |
| Total | \$13,210,500 | \$10,538,800 | \$6,000,000 | \$0 | \$6,000,000 |
| State | 6,753,400 | 6,000,000 | 6,000,000 | 0 | 6,000,000 |
| Federal | 828,900 | 3,626,800 | 0 | 0 | 0 |
| Other | 5,628,200 | 912,000 | 0 | 0 | 0 |

328.04 Wetlands Compensation Fund

| | | | | | |
|--------------|------------------|------------------|------------------|------------|------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 210,100 | 211,000 | 211,000 | 0 | 211,000 |
| Total | \$210,100 | \$211,000 | \$211,000 | \$0 | \$211,000 |
| State | 207,600 | 211,000 | 211,000 | 0 | 211,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 2,500 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 328.00 Department Total | | | | | |
| Full-Time | 614 | 625 | 625 | 0 | 625 |
| Part-Time | 82 | 81 | 81 | 0 | 81 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 696 | 706 | 706 | 0 | 706 |
| Payroll | 28,106,300 | 31,118,700 | 30,895,200 | 335,300 | 31,230,500 |
| Operational | 36,631,800 | 45,280,500 | 28,527,200 | 0 | 28,527,200 |
| Total | \$64,738,100 | \$76,399,200 | \$59,422,400 | \$335,300 | \$59,757,700 |
| State | 39,127,700 | 42,251,200 | 39,908,100 | 335,300 | 40,243,400 |
| Federal | 13,621,600 | 19,362,400 | 13,243,000 | 0 | 13,243,000 |
| Other | 11,988,800 | 14,785,600 | 6,271,300 | 0 | 6,271,300 |

Department of Commerce and Insurance

The Department of Commerce and Insurance serves as a regulatory agency in state government through four functional areas: administrative services, consumer protection, 911 wireless communications, and fire prevention.

Administration

The Administration Division's services include the office of the commissioner, fiscal services, management information services, personnel, legal services, and audit consulting and oversight.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 335.01 Administration | | | | | |
| Full-Time | 73 | 73 | 67 | 0 | 67 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 73 | 73 | 67 | 0 | 67 |
| Payroll | 2,905,900 | 3,444,600 | 3,275,000 | 0 | 3,275,000 |
| Operational | 1,137,200 | 971,800 | 810,100 | 0 | 810,100 |
| Total | \$4,043,100 | \$4,416,400 | \$4,085,100 | \$0 | \$4,085,100 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 4,043,100 | 4,416,400 | 4,085,100 | 0 | 4,085,100 |

Consumer Protection

The Department of Commerce and Insurance strives to ensure Tennesseans' safety in the marketplace and supports education and awareness programs. Services provided include:

- Regulating insurance companies and agents and approving individual and group self-insurance proposals
- Protecting Tennessee's investors by maintaining the integrity of the securities market
- Enforcing the Tennessee Consumer Protection Act, promoting fair consumer practices and consumer education, and regulating health clubs
- Payments to consumers who are awarded judgments against real estate and auctioneer licensees.

335.02 Insurance

| | | | | | |
|--------------|--------------------|---------------------|--------------------|------------|--------------------|
| Full-Time | 135 | 143 | 126 | 0 | 126 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 1 | 1 | 1 | 0 | 1 |
| Total | 136 | 144 | 127 | 0 | 127 |
| Payroll | 4,349,100 | 6,731,900 | 6,209,500 | 0 | 6,209,500 |
| Operational | 2,789,200 | 3,444,900 | 3,349,200 | 0 | 3,349,200 |
| Total | \$7,138,300 | \$10,176,800 | \$9,558,700 | \$0 | \$9,558,700 |
| State | 0 | 4,021,500 | 3,309,700 | 0 | 3,309,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 7,138,300 | 6,155,300 | 6,249,000 | 0 | 6,249,000 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 335.05 Securities | | | | | |
| Full-Time | 22 | 22 | 22 | 0 | 22 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 22 | 22 | 22 | 0 | 22 |
| Payroll | 797,000 | 991,000 | 991,000 | 0 | 991,000 |
| Operational | 414,300 | 576,600 | 568,200 | 0 | 568,200 |
| Total | \$1,211,300 | \$1,567,600 | \$1,559,200 | \$0 | \$1,559,200 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,211,300 | 1,567,600 | 1,559,200 | 0 | 1,559,200 |
| 335.06 Consumer Affairs | | | | | |
| Full-Time | 11 | 11 | 10 | 0 | 10 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 11 | 11 | 10 | 0 | 10 |
| Payroll | 443,500 | 478,500 | 447,500 | 0 | 447,500 |
| Operational | 238,000 | 286,400 | 277,800 | 0 | 277,800 |
| Total | \$681,500 | \$764,900 | \$725,300 | \$0 | \$725,300 |
| State | 654,200 | 739,900 | 704,100 | 0 | 704,100 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 27,300 | 25,000 | 21,200 | 0 | 21,200 |
| 335.15 Real Estate Education and Recovery Fund | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 199,300 | 279,700 | 279,700 | 0 | 279,700 |
| Total | \$199,300 | \$279,700 | \$279,700 | \$0 | \$279,700 |
| State | 110,500 | 279,700 | 279,700 | 0 | 279,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 88,800 | 0 | 0 | 0 | 0 |
| 335.16 Auctioneer Education and Recovery Fund | | | | | |
| Full-Time | 1 | 1 | 1 | 0 | 1 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 1 | 1 | 1 | 0 | 1 |
| Payroll | 34,300 | 35,400 | 35,400 | 0 | 35,400 |
| Operational | 36,600 | 39,500 | 39,500 | 0 | 39,500 |
| Total | \$70,900 | \$74,900 | \$74,900 | \$0 | \$74,900 |
| State | 63,900 | 74,900 | 74,900 | 0 | 74,900 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 7,000 | 0 | 0 | 0 | 0 |

The TennCare Oversight Division has the authority to promulgate new or additional rules and regulations and to perform the oversight, examination, and compliance monitoring functions regarding Managed Care Organizations which provide TennCare services.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|----------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 335.04 TennCare Oversight | | | | | |
| Full-Time | 22 | 22 | 21 | 0 | 21 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 22 | 22 | 21 | 0 | 21 |
| Payroll | 1,254,100 | 1,627,200 | 1,565,100 | 0 | 1,565,100 |
| Operational | 808,000 | 1,303,400 | 1,083,600 | 0 | 1,083,600 |
| Total | \$2,062,100 | \$2,930,600 | \$2,648,700 | \$0 | \$2,648,700 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 2,062,100 | 2,930,600 | 2,648,700 | 0 | 2,648,700 |

The Division of Regulatory Boards provides licensing and regulation of professions and businesses, in addition to, administering disciplinary action. The following professions and businesses are overseen by the Division of Regulatory Boards:

- Cosmetologists
- Funeral directors and embalmers
- Land surveyors
- Engineers
- Boxing and auto racing
- Polygraph examiners
- Real estate agents and brokers
- Accountants
- Alarm contractors
- Interior designers
- Pharmacists and pharmacies
- Barbers
- Contractors
- Collection services
- Private investigators
- Burial services
- Home improvement
- Real estate appraisers
- Private protective services
- Automotive manufacturers, dealers, and salesmen
- Geologists
- Auctioneers
- Architects and landscape architects
- Employee leasing.

335.10 Regulatory Boards

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 183 | 187 | 187 | 0 | 187 |
| Part-Time | 122 | 122 | 122 | 0 | 122 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 305 | 309 | 309 | 0 | 309 |
| Payroll | 6,465,300 | 7,332,400 | 7,332,400 | 0 | 7,332,400 |
| Operational | 5,750,800 | 7,624,500 | 7,195,400 | 0 | 7,195,400 |
| Total | \$12,216,100 | \$14,956,900 | \$14,527,800 | \$0 | \$14,527,800 |
| State | 12,084,100 | 14,501,700 | 14,072,600 | 0 | 14,072,600 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 132,000 | 455,200 | 455,200 | 0 | 455,200 |

911 Wireless Communications

The 911 Emergency Communications Fund promotes statewide wireless enhanced 911 service through the activities of the Emergency Communications Board. The Board is empowered to:

- Provide advisory technical assistance to emergency communications districts
- Establish technical operating standards for emergency communications districts
- Review and revise wireless enhanced 911 standards
- Review and approve reimbursements for expenditures related to implementation, operations, maintenance, or improvements to statewide wireless enhanced 911 service.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 335.08 911 Emergency Communications Fund | | | | | |
| Full-Time | 6 | 6 | 6 | 3 | 9 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 6 | 6 | 6 | 3 | 9 |
| Payroll | 266,200 | 292,600 | 323,900 | 150,300 | 474,200 |
| Operational | 13,430,200 | 25,868,700 | 25,826,900 | 55,600 | 25,882,500 |
| Total | \$13,696,400 | \$26,161,300 | \$26,150,800 | \$205,900 | \$26,356,700 |
| State | 12,979,800 | 26,161,300 | 26,150,800 | 205,900 | 26,356,700 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 716,600 | 0 | 0 | 0 | 0 |

Fire Prevention

The Division of Fire Prevention provides services to promote fire safety education and fire prevention. These efforts include:

- Inspection of institutional facilities and electrical installations
- Arson investigation
- Construction plans review
- The Tennessee Fire Incident Reporting System
- Registration of electricians
- Fireworks and explosive user permitting
- Licensing and regulating sprinkler contractors, liquid petroleum gas distributors, and fire extinguisher dealers
- Regulation of the mobile home industry.

335.03 Fire Prevention

| | | | | | |
|--------------|------------|------------|------------|----------|------------|
| Full-Time | 126 | 133 | 133 | 5 | 138 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 126 | 133 | 133 | 5 | 138 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 4,686,700 | 5,151,800 | 5,151,800 | 151,900 | 5,303,700 |
| Operational | 6,758,100 | 7,421,200 | 7,148,400 | 98,100 | 7,246,500 |
| Total | \$11,444,800 | \$12,573,000 | \$12,300,200 | \$250,000 | \$12,550,200 |
| State | 0 | 68,800 | 55,800 | 0 | 55,800 |
| Federal | 220,600 | 210,000 | 210,000 | 0 | 210,000 |
| Other | 11,224,200 | 12,294,200 | 12,034,400 | 250,000 | 12,284,400 |

The Fire Service and Codes Enforcement Academy's objective is to provide effective training to all volunteer and career fire fighters, fire and building code enforcement personnel, and other related service professionals in the state of Tennessee. The Academy develops and teaches current methods and practices in fire fighting, fire and building code enforcement, fire prevention, public safety, fire investigation, and related subjects.

335.07 Fire and Codes Enforcement Academy

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 37 | 47 | 36 | 0 | 36 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 37 | 47 | 36 | 0 | 36 |
| Payroll | 745,600 | 2,023,500 | 1,630,200 | 0 | 1,630,200 |
| Operational | 633,500 | 3,161,100 | 2,993,700 | 0 | 2,993,700 |
| Total | \$1,379,100 | \$5,184,600 | \$4,623,900 | \$0 | \$4,623,900 |
| State | 1,188,900 | 4,810,200 | 4,007,200 | 0 | 4,007,200 |
| Federal | 66,700 | 109,200 | 109,200 | 0 | 109,200 |
| Other | 123,500 | 265,200 | 507,500 | 0 | 507,500 |

The Commission on Fire Fighting Personnel Standards and Education administers the salary supplement to eligible firefighters, sets criteria for performance standards, and trains firefighters.

335.28 Fire Fighting Personnel Standards and Education

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 3 | 3 | 3 | 0 | 3 |
| Part-Time | 9 | 9 | 9 | 0 | 9 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 12 | 12 | 12 | 0 | 12 |
| Payroll | 110,600 | 120,400 | 120,400 | 0 | 120,400 |
| Operational | 2,385,800 | 2,396,300 | 2,187,100 | 0 | 2,187,100 |
| Total | \$2,496,400 | \$2,516,700 | \$2,307,500 | \$0 | \$2,307,500 |
| State | 2,496,400 | 2,516,700 | 2,307,500 | 0 | 2,307,500 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 335.00 Department Total | | | | | |
| Full-Time | 619 | 648 | 612 | 8 | 620 |
| Part-Time | 131 | 131 | 131 | 0 | 131 |
| Seasonal | 1 | 1 | 1 | 0 | 1 |
| Total | 751 | 780 | 744 | 8 | 752 |
| Payroll | 22,058,300 | 28,229,300 | 27,082,200 | 302,200 | 27,384,400 |
| Operational | 34,581,000 | 53,374,100 | 51,759,600 | 153,700 | 51,913,300 |
| Total | \$56,639,300 | \$81,603,400 | \$78,841,800 | \$455,900 | \$79,297,700 |
| State | 29,577,800 | 53,174,700 | 50,962,300 | 205,900 | 51,168,200 |
| Federal | 287,300 | 319,200 | 319,200 | 0 | 319,200 |
| Other | 26,774,200 | 28,109,500 | 27,560,300 | 250,000 | 27,810,300 |

Department of Financial Institutions

The Department of Financial Institutions provides the citizens of Tennessee a sound system of state-chartered and licensed financial institutions. These include:

- Commercial banks
- Trust companies
- Savings institutions
- Credit unions
- Industrial loan and thrift companies
- Business and industrial development corporations
- Deferred presentment and check cashing companies
- Mortgage lenders, brokers and servicers
- Insurance premium finance companies
- Money transmitters.

The mission of the Department of Financial Institutions is to provide for and encourage the development of depository financial institutions while restricting their activities to the extent necessary to safeguard the interests of depositors. In addition, the department seeks to ensure compliance by both depository and non-depository financial institutions with governing laws and regulations. None of the department's operating expenditures are funded with general state tax dollars. Revenue is derived solely from supervision, examination, and license fees assessed to those financial institutions regulated by the department.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 336.00 Financial Institutions | | | | | |
| Full-Time | 112 | 112 | 112 | 0 | 112 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 112 | 112 | 112 | 0 | 112 |
| Payroll | 6,098,000 | 7,115,800 | 7,115,800 | 0 | 7,115,800 |
| Operational | 2,174,900 | 1,945,600 | 1,945,600 | 0 | 1,945,600 |
| Total | \$8,272,900 | \$9,061,400 | \$9,061,400 | \$0 | \$9,061,400 |
| State | 4,187,800 | 5,492,500 | 5,492,500 | 0 | 5,492,500 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 4,085,100 | 3,568,900 | 3,568,900 | 0 | 3,568,900 |

Department of Labor and Workforce Development

The Department of Labor and Workforce Development's vision includes protecting the rights of workers and assisting employers in maintaining those rights throughout Tennessee. The Department of Labor and Workforce Development has six functional areas:

- Administration
- Safety and Health
- Workers' Compensation
- Labor Standards
- Employment and Workforce Development
- Employment Security.

Administration

These services include the overall administration of the department and its programs. Included in this area is the office of the commissioner, which is responsible for formulating policies, procedures, and long-range plans to carry out the mission of the department.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 337.01 Administration | | | | | |
| Full-Time | 116 | 114 | 101 | 0 | 101 |
| Part-Time | 5 | 5 | 5 | 0 | 5 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 121 | 119 | 106 | 0 | 106 |
| Payroll | 4,820,500 | 6,055,600 | 5,456,900 | 0 | 5,456,900 |
| Operational | 1,577,000 | 3,131,700 | 2,299,400 | 0 | 2,299,400 |
| Total | \$6,397,500 | \$9,187,300 | \$7,756,300 | \$0 | \$7,756,300 |
| State | 1,073,500 | 3,503,800 | 2,072,800 | 0 | 2,072,800 |
| Federal | 5,060,100 | 5,486,700 | 5,486,700 | 0 | 5,486,700 |
| Other | 263,900 | 196,800 | 196,800 | 0 | 196,800 |

Safety and Health

This functional area administers and enforces safety and health programs in Tennessee workplaces. The divisions provide training and technical assistance to employers and employees by conducting compliance inspections and by providing consulting services to employers. Some responsibilities include:

- Ensuring the safety and health of Tennessee workers, administering training programs, and providing consultant services to employers
- Promoting effective safety and health management through the Voluntary Protection Program
- Promoting the safety and welfare of miners through training and licensing of mine operators
- Employing mine rescue workers
- Performing safety inspections of boilers and elevators across the state.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|

337.02 Tennessee Occupational Safety and Health Administration (TOSHA)

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 105 | 105 | 105 | 0 | 105 |
| Part-Time | 3 | 3 | 3 | 0 | 3 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 108 | 108 | 108 | 0 | 108 |
| Payroll | 4,715,400 | 5,302,700 | 5,236,400 | 0 | 5,236,400 |
| Operational | 1,655,300 | 2,105,600 | 2,171,900 | 0 | 2,171,900 |
| Total | \$6,370,700 | \$7,408,300 | \$7,408,300 | \$0 | \$7,408,300 |
| State | 2,815,900 | 4,095,200 | 4,095,200 | 0 | 4,095,200 |
| Federal | 3,528,400 | 3,273,100 | 3,281,100 | 0 | 3,281,100 |
| Other | 26,400 | 40,000 | 32,000 | 0 | 32,000 |

337.04 Mines

| | | | | | |
|--------------|------------------|------------------|------------------|------------|------------------|
| Full-Time | 8 | 6 | 6 | 0 | 6 |
| Part-Time | 24 | 24 | 24 | 0 | 24 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 32 | 30 | 30 | 0 | 30 |
| Payroll | 276,700 | 448,700 | 365,400 | 0 | 365,400 |
| Operational | 185,200 | 255,800 | 255,800 | 0 | 255,800 |
| Total | \$461,900 | \$704,500 | \$621,200 | \$0 | \$621,200 |
| State | 229,100 | 370,900 | 370,900 | 0 | 370,900 |
| Federal | 152,200 | 108,500 | 108,500 | 0 | 108,500 |
| Other | 80,600 | 225,100 | 141,800 | 0 | 141,800 |

337.05 Boilers and Elevators

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 47 | 49 | 49 | 0 | 49 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 47 | 49 | 49 | 0 | 49 |
| Payroll | 1,465,000 | 1,793,800 | 1,957,200 | 0 | 1,957,200 |
| Operational | 601,100 | 556,800 | 476,700 | 0 | 476,700 |
| Total | \$2,066,100 | \$2,350,600 | \$2,433,900 | \$0 | \$2,433,900 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 2,066,100 | 2,350,600 | 2,433,900 | 0 | 2,433,900 |

Workers' Compensation

The division of Workers' Compensation administers the workers' compensation program in Tennessee, promotes the benefits and responsibilities of the Workers' Compensation Act, and makes available the services provided in the Act. To achieve these objectives the division:

- Administers the Benefit Review Program which determines compensation eligibility and provides mediation services in disputed claims
- Administers the Drug Free Workplace Program which discourages drug use and abuse in the workplace

- Approves proposed settlements in disputed claims when the parties have reached agreement on all disputed issues
- Administers programs for medical case management and utilization review of claims which require medical services
- Administers the Tennessee Second Injury Fund
- Administers safety programs, including the Occupational Safety and Health Grant program, established by the workers' compensation law
- Maintains the official record for workers' compensation coverage and claims
- Informs workers of their rights under the law and ensures benefits paid to injured employees are within statutory requirements
- Maintains a statistical and historical data base for the workers' compensation program
- Provides administrative support for the Advisory Council on Workers' Compensation
- Provides assistance to the Tennessee Bureau of Investigation in the investigation of workers' compensation fraud and conducts public awareness programs on issues of fraud
- Collects and analyzes relevant statistical data and other information necessary to evaluate the workers' compensation system and to assess the impact of the reform acts of 1992 and 1996 on the system.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|-------------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 337.03 Workers' Compensation | | | | | |
| Full-Time | 112 | 112 | 112 | 0 | 112 |
| Part-Time | 1 | 1 | 1 | 0 | 1 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 113 | 113 | 113 | 0 | 113 |
| Payroll | 3,615,000 | 4,428,400 | 4,519,700 | 0 | 4,519,700 |
| Operational | 2,080,800 | 2,602,000 | 2,040,700 | 0 | 2,040,700 |
| Total | \$5,695,800 | \$7,030,400 | \$6,560,400 | \$0 | \$6,560,400 |
| State | 4,427,500 | 6,528,400 | 6,528,400 | 0 | 6,528,400 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,268,300 | 502,000 | 32,000 | 0 | 32,000 |

The Second Injury Fund provides funding for judgments against the State of Tennessee and for legal costs awarded by the state. The Second Injury Fund encourages employers to hire workers with prior injuries or disabilities.

337.08 Second Injury Fund

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 5,253,400 | 5,370,900 | 5,370,900 | 0 | 5,370,900 |
| Total | \$5,253,400 | \$5,370,900 | \$5,370,900 | \$0 | \$5,370,900 |
| State | 4,974,700 | 5,195,900 | 5,195,900 | 0 | 5,195,900 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 278,700 | 175,000 | 175,000 | 0 | 175,000 |

The Uninsured Employers Fund was established to help protect workers from employers who fail to comply with the coverage requirements of the state's workers' compensation insurance laws. This division has the authority to assess civil penalties to employers and provide injunctive relief to affected employees.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 337.14 Uninsured Employers Fund | | | | | |
| Full-Time | 5 | 5 | 5 | 0 | 5 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 5 | 5 | 5 | 0 | 5 |
| Payroll | 249,700 | 248,000 | 240,500 | 0 | 240,500 |
| Operational | 8,300 | 9,000 | 16,500 | 0 | 16,500 |
| Total | \$258,000 | \$257,000 | \$257,000 | \$0 | \$257,000 |
| State | 256,700 | 257,000 | 257,000 | 0 | 257,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,300 | 0 | 0 | 0 | 0 |

Labor Standards

This division is responsible for the enforcement of several labor laws throughout the state. Included in the jurisdiction of the division are:

- The Wage Regulation Act which protects wage earners from unfair practices
- The Child Labor Act which regulates the number of hours a school-aged child can work
- The Prevailing Wage Act which protects workers regarding pay on construction projects involving state funds
- Administration of statistical research programs regarding work-related injuries, illnesses, and fatalities
- Administration of the Employee Assistance Professional Program
- Labor standards customer service.

337.06 Labor Standards

| | | | | | |
|--------------|------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 23 | 23 | 23 | 0 | 23 |
| Part-Time | 5 | 5 | 5 | 0 | 5 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 28 | 28 | 28 | 0 | 28 |
| Payroll | 653,200 | 877,200 | 855,800 | 0 | 855,800 |
| Operational | 246,200 | 289,000 | 310,400 | 0 | 310,400 |
| Total | \$899,400 | \$1,166,200 | \$1,166,200 | \$0 | \$1,166,200 |
| State | 728,300 | 1,008,700 | 1,008,700 | 0 | 1,008,700 |
| Federal | 156,500 | 146,500 | 146,500 | 0 | 146,500 |
| Other | 14,600 | 11,000 | 11,000 | 0 | 11,000 |

Employment and Workforce Development

The Employment and Training Division administers the Workforce Investment Act, Tennessee Career Centers, Families First services, veterans services, and the Job Service programs. The Workforce Investment Act attempts to return many of the responsibilities formerly held by the federal government for workforce development to state and local authorities. The Tennessee Career Centers, in the process of being implemented across the state, can be used by employers seeking workers and anyone seeking job training, job placement, Families First services, unemployment insurance, and any other activity related to employment and training needs. The primary goal of this program is to be more responsive to the needs of geographical areas, labor markets, and individual industries. The Employment and Training Division is a key partner in working with other state agencies such as Economic and Community Development, Education, Human Services, and the Board of Regents, to implement the workforce development system in the state. The Adult Basic Education Division administers funds to assist the adult population in obtaining GED diplomas and education necessary to return to the workforce.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 337.07 Employment and Training | | | | | |
| Full-Time | 35 | 35 | 35 | 0 | 35 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 35 | 35 | 35 | 0 | 35 |
| Payroll | 1,630,400 | 1,948,000 | 1,941,800 | 0 | 1,941,800 |
| Operational | 65,155,100 | 78,599,300 | 78,683,500 | 0 | 78,683,500 |
| Total | \$66,785,500 | \$80,547,300 | \$80,625,300 | \$0 | \$80,625,300 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 51,338,800 | 52,136,300 | 60,547,300 | 0 | 60,547,300 |
| Other | 15,446,700 | 28,411,000 | 20,078,000 | 0 | 20,078,000 |
| 337.09 Adult Basic Education | | | | | |
| Full-Time | 12 | 12 | 12 | 0 | 12 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 12 | 12 | 12 | 0 | 12 |
| Payroll | 532,100 | 703,200 | 705,500 | 0 | 705,500 |
| Operational | 17,509,300 | 18,617,000 | 18,614,700 | 0 | 18,614,700 |
| Total | \$18,041,400 | \$19,320,200 | \$19,320,200 | \$0 | \$19,320,200 |
| State | 2,947,300 | 3,227,100 | 3,227,100 | 0 | 3,227,100 |
| Federal | 11,349,300 | 10,082,900 | 12,082,900 | 0 | 12,082,900 |
| Other | 3,744,800 | 6,010,200 | 4,010,200 | 0 | 4,010,200 |

Employment Security

The Employment Security division administers the unemployment insurance program and provides job availability data to the general public. The division's primary programs are Unemployment Insurance, Job Service, and labor market information.

The Unemployment Insurance Program is administered in accordance with the provisions of the Tennessee Employment Security Act. This program determines eligibility and pays

unemployment insurance benefits to workers who are unemployed, through no fault of their own, and collects appropriate premiums from liable employers.

The Job Service Program has administrative responsibility for providing a basic labor exchange system, job placement, and development services to special applicant groups such as:

- Veterans
- Families First recipients
- Job Training Partnership Act applicants
- Senior citizens
- Food stamp recipients
- Temporary Assistance for Needy Families recipients.

The Employment Development division collects, analyzes, and maintains data on the economic and demographic characteristics of the labor force in Tennessee. This labor market information assists in promoting better decisions by federal, state, and local government policy makers, employers, and individual citizens.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 337.10 Employment Security | | | | | |
| Full-Time | 832 | 832 | 832 | 0 | 832 |
| Part-Time | 360 | 360 | 360 | 0 | 360 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 1,192 | 1,192 | 1,192 | 0 | 1,192 |
| Payroll | 33,176,700 | 41,684,200 | 40,618,300 | 0 | 40,618,300 |
| Operational | 12,821,300 | 17,347,800 | 18,413,700 | 0 | 18,413,700 |
| Total | \$45,998,000 | \$59,032,000 | \$59,032,000 | \$0 | \$59,032,000 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 42,740,200 | 54,319,800 | 54,319,800 | 0 | 54,319,800 |
| Other | 3,257,800 | 4,712,200 | 4,712,200 | 0 | 4,712,200 |
| 337.11 Employment Development | | | | | |
| Full-Time | 219 | 221 | 221 | 0 | 221 |
| Part-Time | 70 | 70 | 70 | 0 | 70 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 289 | 291 | 291 | 0 | 291 |
| Payroll | 7,548,300 | 9,360,800 | 9,613,200 | 0 | 9,613,200 |
| Operational | 3,757,400 | 2,371,400 | 2,219,000 | 0 | 2,219,000 |
| Total | \$11,305,700 | \$11,732,200 | \$11,832,200 | \$0 | \$11,832,200 |
| State | 264,600 | 300,000 | 300,000 | 0 | 300,000 |
| Federal | 8,477,200 | 8,276,600 | 8,376,600 | 0 | 8,376,600 |
| Other | 2,563,900 | 3,155,600 | 3,155,600 | 0 | 3,155,600 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 337.00 Department Total | | | | | |
| Full-Time | 1,514 | 1,514 | 1,501 | 0 | 1,501 |
| Part-Time | 468 | 468 | 468 | 0 | 468 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 1,982 | 1,982 | 1,969 | 0 | 1,969 |
| Payroll | 58,683,000 | 72,850,600 | 71,510,700 | 0 | 71,510,700 |
| Operational | 110,850,400 | 131,256,300 | 130,873,200 | 0 | 130,873,200 |
| Total | \$169,533,400 | \$204,106,900 | \$202,383,900 | \$0 | \$202,383,900 |
| State | 17,717,600 | 24,487,000 | 23,056,000 | 0 | 23,056,000 |
| Federal | 122,802,700 | 133,830,400 | 144,349,400 | 0 | 144,349,400 |
| Other | 29,013,100 | 45,789,500 | 34,978,500 | 0 | 34,978,500 |

Resources and Regulation

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|--|---------------------|------------------------|------------------------|
| Arts Commission | | | | |
| • Grantsmaking | | | | |
| Promote cultural activities | Number of grant awards | 500 | 700 | 750 |
| • Public Programs and Services to Citizens | | | | |
| Provide information and technical service | Number of students served | 165,217 | 165,700 | 166,200 |
| Provide information and technical service | Percentage of school districts served | 87% | 90% | 96% |
| State Museum | | | | |
| • Collections Management | | | | |
| Acquire artifacts | Number of new artifacts acquired | 2,654 | 1,150 | 0 |
| • Public Programs | | | | |
| Establish and maintain good public image | Annual visitors | 75,853 | 75,000 | 70,000 |
| Schedule and guide tour groups | Number of scheduled tour groups | 825 | 800 | 800 |
| • External Affairs | | | | |
| Attract members through membership drive and member benefits | Membership | 328 | 428 | 478 |
| Environment and Conservation | | | | |
| • Recreation Educational Services | | | | |
| Assist local governments in enhancing recreation opportunities | Number of local trail and greenway miles added | 19.5 | 18 | 20 |
| • Historical Commission | | | | |
| Add eligible properties to National Register of Historic Places | Number of properties added | 325 | 1,450 | 300 |
| Assist certified local governments in complying with National Historic Preservation Act | Number of certified local governments assisted | 23 | 26 | 27 |
| Assist in operation of historical sites | Number of historical sites assisted | 18 | 18 | 18 |
| Assist non-certified local government communities | Number of communities assisted | 13 | 15 | 15 |
| Place historical markers | Number of historical markers placed | 18 | 15 | 15 |
| Provide training for certified local governments and historic zoning commissions | Number of training sessions provided | 16 | 10 | 15 |

Resources and Regulation

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|--|---------------------|------------------------|------------------------|
| Publish Courier newsletter | Number of issues published | 2 | 3 | 3 |
| Review of historic properties impacted | Number of projects reviewed | 2,746 | 2,196 | 2,305 |
| Review Tax Act certification projects | Number of projects reviewed | 48 | 43 | 52 |
| Survey properties over 50 years old | Number of properties surveyed | 2,720 | 2,900 | 3,000 |
| • Archaeology | | | | |
| Protect the archaeological integrity of state parks | Number of state parks inspected | 25 | 30 | 35 |
| • Geology | | | | |
| Number of new geologic maps and mineral resource summaries published | Number of geologic maps published | 1 | 3 | 5 |
| • Tennessee State Parks | | | | |
| Achieve self-sufficiency in retail operations at state parks | Percentage increase in revenues | -8% | 5% | 5% |
| Enhance recreational opportunities at state parks | Number of trail miles added | 45 | 75 | 50 |
| • Natural Heritage | | | | |
| Increase acreage in state natural areas | Number of acres in state natural areas | 102,801 | 104,063 | 105,063 |
| • Elk River Resources Management | | | | |
| Generate revenues for improvement projects for state and county governments | Number of acres sold | 0 | 175 | 125 |
| • West Tennessee River Basin Authority | | | | |
| Procure additional acres to perform environmentally sensitive maintenance | Number of acres submitted for task force approval | 245 | 3,800 | 1,500 |
| • Environment Administration | | | | |
| Protect the public health and environment | Number of enforcement orders issued | 797 | 825 | 840 |
| • Air Pollution Control | | | | |
| Improve air quality | Percentage of Tennesseans breathing clean air | 100% | 100% | 100% |
| • Radiological Health | | | | |
| X-Ray equipment and linear accelerators are to be inspected according to a prescribed schedule | Percentage of inspections performed within prescribed state schedule | 98% | 98% | 98% |

Resources and Regulation

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|--|---------------------|------------------------|------------------------|
| • Water Pollution Control | | | | |
| Protect and enhance water resources | Number of stream miles suitable for all uses | 20,493 | 21,993 | 23,493 |
| • Hazardous Waste Program | | | | |
| Clean hazardous waste sites | Number of Resource Conservation and Recovery Act sites cleaned | 60 | 60 | 60 |
| • DOE Oak Ridge Oversight | | | | |
| Complete monitoring and oversight activities on schedule | Percentage of activities completed on schedule | 83% | 100% | 100% |
| • Superfund | | | | |
| Clean hazardous waste sites | Number of inactive hazardous waste sites cleaned | 17 | 5 | 5 |
| • Water Supply | | | | |
| Improve the quality of public water systems | Percentage of customers with water meeting federal standards | 97.2% | 98% | 98% |
| • Underground Storage Tanks | | | | |
| Remediate leaking underground storage tank (UST) sites | Number of leaking UST sites remediated | 236 | 100 | 100 |
| • Solid Waste Assistance | | | | |
| Reduce the disposal of municipal solid waste landfills | Percentage reduction from 1999 base year | 23% | 24% | 25% |
| • Community Assistance | | | | |
| Protect and enhance water resources | Percentage of population served by upgraded treatment facilities | 2.5% | 2.5% | 2.8% |
| • Groundwater Protection | | | | |
| Protect groundwater resources through effective permitting | Number of sub-surface sewage disposal permits issued | 28,852 | 29,000 | 29,000 |
| Tennessee Wildlife Resources Agency | | | | |
| • Game Management | | | | |
| Administer Hunter Education Program | Students trained per year | 20,700 | 19,000 | 20,000 |
| Base migrant goose harvest on a quota | Birds harvested annually | 25,000 | 25,000 | 25,000 |
| Enhance the endangered species program | Species downlisted | 0 | 2 | 2 |
| Hold steady the number of farm game hunters | Hunter trips | 1,194,459 | 1,126,932 | 1,180,000 |

Resources and Regulation

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|---------------------------|---------------------|------------------------|------------------------|
| Improve deer hunting experience | Deer hunter success rate | 41% | 45% | 48% |
| Increase black bear opportunities | Hunter trips | 50,947 | 13,400 | 20,000 |
| Increase black bear population levels | Bears harvested | 159 | 120 | 120 |
| Maintain a healthy wild turkey population | Hunter trips | 462,442 | 434,988 | 510,000 |
| Maintain farmgame harvest rate | Quail harvested per trip | 1.3 | 1.7 | 1.7 |
| Maintain farmgame harvest rate | Rabbits per hunt trip | 1.3 | 1.4 | 1.4 |
| Maintain healthy deer population | Deer harvested | 157,599 | 155,000 | 160,000 |
| Maintain healthy dove population | Hunter trips | 609,991 | 503,808 | 570,000 |
| Maintain or improve ruffed grouse populations | Annual hunter trips | 73,776 | 140,000 | 130,000 |
| Maintain or increase dove hunter participation | Dove hunters | 117,306 | 121,320 | 140,000 |
| Maintain squirrel populations | Hunter trips | 1,350,000 | 1,400,000 | 1,450,000 |
| Provide firing ranges | Ranges developed per year | 1 | 2 | 1 |
| Provide improved turkey hunting | Hunter success rate | 30% | 30% | 30% |
| Provide maximum furbearer opportunities | Pelts sold | 5,000 | 5,000 | 5,000 |
| Provide proper duck habitat | Ducks wintered | 467,408 | 500,000 | 500,000 |
| Provide proper goose habitat | Average daily population | 60,000 | 60,000 | 60,000 |
| Stabilize or increase squirrel harvest | Squirrels per hunter trip | 1.58 | 2.4 | 2.4 |

• Fish Management

| | | | | |
|--|---|-----------|-----------|-----------|
| Enhance reservoir fishing | Angler satisfaction of reservoir fisheries management | 75% | 75% | 75% |
| Increase fishing participation in reservoirs | Number of reservoir anglers | 480,000 | 485,000 | 485,000 |
| Increase warmwater stream fish trips | Fishing trips | 2,200,000 | 2,300,000 | 2,300,000 |
| Maintain a commercial fishery program | Pounds of fish | 5,200,000 | 5,000,000 | 5,000,000 |
| Maintain harvestable surplus of mussels | Tons of mussels | 1,800 | 1,800 | 1,800 |
| Optimize production in agency lakes | Fish trips annually | 263,000 | 268,300 | 275,000 |
| Provide quality coldwater fishing in streams and lakes | Trout fish trips | 2,200,000 | 2,300,000 | 2,300,000 |
| Provide quality fishing in ponds and small lakes | Fishing trips | 4,500,000 | 4,600,000 | 4,700,000 |

• Boating Safety

| | | | | |
|------------------------------------|------------------|---------|---------|---------|
| Maintain or increase registrations | Boats registered | 265,000 | 272,300 | 282,100 |
|------------------------------------|------------------|---------|---------|---------|

Resources and Regulation

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|--|---------------------|------------------------|------------------------|
| Provide training for boaters | Students trained | 450 | 1,000 | 1,200 |
| Provide water access | Build or repair launch ramps | 12 | 10 | 10 |
| Reduce annual accidents | Number of accidents | 144 | 145 | 133 |
| Reduce annual fatalities | Number of deaths | 19 | 18 | 18 |
| • Wetlands Acquisition | | | | |
| Acquire wetland properties | Number of properties acquired | 8 | 2 | 7 |
| • Wetlands Compensation | | | | |
| Pay counties for in-lieu of tax | Number of counties paid | 38 | 39 | 39 |
| Commerce and Insurance | | | | |
| • Division of Insurance | | | | |
| Administer and enforce insurance statutes | Financial statement analyses | 420 | 330 | 500 |
| Collect taxes and fees | Dollar amount collected | \$306,890,000 | \$340,500,000 | \$367,400,000 |
| Provide services to the public | Consumer complaints | 3,904 | 4,007 | 3,000 |
| Provide services to the public | Consumer investigations | 268 | 263 | 225 |
| • Fire Prevention | | | | |
| Combat arson and misuse of explosives | Average dollar loss per arson scene | \$117,027 | \$110,000 | \$100,000 |
| Enforce codes | Building plans reviewed | 3,294 | 3,600 | 3,900 |
| Inspect manufactured houses | Initial inspection of manufactured houses | 17,226 | 17,700 | 18,300 |
| • TennCare Oversight | | | | |
| Administer claims processing examinations | Claims processing exams completed | 5 | 8 | 9 |
| Administer financial examinations | Number of exams completed | 7 | 8 | 9 |
| Review complaints | Provider complaints processed | 184 | 160 | 160 |
| Review financial statements | National Association of Insurance Commissioners (NAIC) financial statements reviewed | 46 | 44 | 44 |
| Review premium tax returns | Premium tax returns reviewed | 46 | 44 | 44 |
| Review services independently | Disputed claims submitted for review | 154 | 200 | 200 |
| • Securities | | | | |
| Investigate securities | Percentage of securities complaints that resulted in investigations | 43% | 45% | 45% |
| Examine and process applications for securities industry registrations and notice filings effected | Number of securities industry registrations and notice filings processed | 81,828 | 80,000 | 80,000 |

Resources and Regulation

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|---|---------------------|------------------------|------------------------|
| Examine and process applications for securities registrations and notice filings effected | Number of securities registrations and notice filings processed | 17,911 | 17,500 | 17,750 |
| • Consumer Affairs | | | | |
| Increase education of consumer protection | Telephone inquiries | 70,000 | 70,000 | 70,000 |
| Protection of the consumer | Written complaints | 5,109 | 6,000 | 6,000 |
| Protection of the consumer | Formal actions | 15 | 20 | 25 |
| Protection of the consumer | Consumer refunds | \$943,189 | \$800,000 | \$800,000 |
| Register of health clubs | Number of registrations | 189 | 215 | 220 |
| • Fire and Codes Enforcement Academy | | | | |
| Provide training to all fire service and codes enforcement personnel | Onsite and field student contact hours | 55,000 | 95,800 | 110,000 |
| • E-911 Emergency Communications Board | | | | |
| Assist Emergency Communication Districts in completing landline and Phase 1 E-911 service | Percentage of ECDs having a functional landline 911 and E-911 Phase 1 service | 91% | 94% | 100% |
| Implement Phase 2 E-911 service statewide | Districts that are Phase 2 ready | 16% | 80% | 100% |
| Implement Phase 2 E-911 service statewide | Percentage of wireless subscribers with Phase 2 service | 0% | 80% | 100% |
| • Regulatory Boards | | | | |
| Administer examinations | Number of examinations | 20,531 | 20,800 | 21,000 |
| License professionals | Number of licensees | 212,465 | 212,900 | 213,000 |
| Process applications | Number of applications | 33,062 | 33,500 | 33,900 |
| Regulate cases | Number of cases opened | 2,580 | 2,709 | 2,844 |
| Regulate cases | Number of cases closed | 2,311 | 2,426 | 2,548 |
| • Real Estate Education and Recovery | | | | |
| Provide educational materials | Number of licensees | 34,194 | 33,600 | 34,000 |
| • Auctioneer Education and Recovery | | | | |
| Provide educational materials | Number of licensees | 2,174 | 2,174 | 2,000 |
| • Fire Fighting Personnel Standards & Education | | | | |
| Administer firefighter salary supplement | Supplements issued | 5,200 | 5,253 | 5,650 |
| Certify firefighters | Certification exams administered | 1,722 | 2,949 | 4,000 |
| Certify firefighters | Percentage of firefighters who pass exam | 74% | 74% | 74% |

Resources and Regulation

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|--|---------------------|------------------------|------------------------|
| • Homeland Security | | | | |
| Enhance inter-agency sharing of intelligence by assigning a Special Agent to a Federal task force | Number of investigations opened as part of Federal task force | 0 | 10 | 10 |
| Deliver Emergency Response to Terrorism Training | Student contact hours in training of terrorism prevention | 11,745 | 15,500 | 15,500 |
| Financial Institutions | | | | |
| • Bank Division | | | | |
| Administer 100% of required bank examinations | Number of banks required to be examined in cycle | 82 | 72 | 72 |
| Administer bank examinations | Banks examined in statutory cycle | 82 | 72 | 72 |
| • Credit Union Division | | | | |
| Administer 100% of required credit union examinations | Number of credit unions to be examined in statutory cycle | 136 | 140 | 130 |
| Administer credit union examinations | Credit unions examined in statutory cycle | 136 | 140 | 130 |
| • Compliance Division | | | | |
| Examine 100% of licensed entities requiring examination | Number of licensed entities requiring examination pursuant to the Commissioner's direction | 1,878 | 2,194 | 2,194 |
| Examine required financial institutions | Number of institutions examined | 1,878 | 2,194 | 2,194 |
| Labor and Workforce Development | | | | |
| • Safety and Health Enforcement Program | | | | |
| Administer health and safety programs | Number of inspections (public sector) | 1,713 | 1,750 | 1,800 |
| Increase the elimination of serious hazards | Number of serious hazards eliminated | 3,323 | 3,400 | 3,425 |
| Obtain data on serious hazards | Number of serious hazards reported | 3,909 | 3,925 | 3,925 |
| • Claims and Settlements | | | | |
| Audit benefits | Claims reviewed | 38,730 | 50,000 | 65,000 |
| Receive and process claims | Claims processed | 269,298 | 270,000 | 285,000 |
| • Mine Safety | | | | |
| License mines | Number of mines licensed | 60 | 45 | 45 |
| Train miners | Number of miners trained | 2,402 | 3,650 | 3,650 |

Resources and Regulation

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|---|---------------------|------------------------|------------------------|
| • Boiler Inspections | | | | |
| Insure safety of public | Number of inspections | 27,357 | 30,328 | 31,328 |
| • Elevator Inspections | | | | |
| Insure safety of the general public | Number of elevators inspected | 16,859 | 17,859 | 18,859 |
| • Labor Standards | | | | |
| Provide effective and efficient customer service | Number of customer inquiries served | 85,527 | 79,000 | 79,000 |
| • Workforce Investment Act | | | | |
| Assist youths in entry into unsubsidized employment | Youths (age 18-21) entering unsubsidized employment | 257 | 261 | 265 |
| Assist adults in entry into unsubsidized employment | Adults entering unsubsidized employment | 2,015 | 2,045 | 2,076 |
| Prepare dislocated workers for reemployment | Dislocated workers served | 8,281 | 8,405 | 8,531 |
| • Second Injury Fund | | | | |
| Close cases by processing payments to claimants | Cases closed | 439 | 570 | 712 |
| • Adult Basic Education | | | | |
| Prepare clients for workforce | Percentage of clients employed | 15% | 18% | 25% |
| • GED and Adult High School | | | | |
| Issue GED diplomas | Percentage issued | 28% | 31% | 33% |
| • Unemployment Insurance | | | | |
| Provide unemployment benefits | Initial claims | 559,948 | 467,754 | 441,189 |
| • Employment Service | | | | |
| Provide placements/obtained employment | Number of applicants who entered employment | 138,142 | 134,800 | 138,500 |
| • Uninsured Employers' Fund | | | | |
| Investigations | Number of investigations closed | 290 | 350 | 424 |

Transportation, Business, and Economic Development

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Transportation, Business, and Economic Development

Recommended Budget, Fiscal Year 2003 – 2004

The Transportation, Business, and Economic Development functional group is a diverse collection of agencies responsible for the development of economic activity in Tennessee. This group consists of the following agencies and departments:

- Tennessee Housing Development Agency
- Department of Agriculture
- Department of Tourist Development
- Department of Economic and Community Development
- Department of Transportation.

The common goal among these agencies is the development and promotion of economic activity and improvement of the livelihood of all Tennesseans. This is accomplished through various programs and activities, including creating an environment conducive to the operation of business and industry and the construction and maintenance of sound public infrastructure.

In addition to the above general activities, this functional group also concentrates on promotion of job growth through development of industrial infrastructure and job training investments; regulation and maintenance of the state agricultural and forest industries; and marketing of the state as a vacation destination.

The Housing Development Agency helps low and moderate income Tennesseans in securing affordable housing.

Improvement Highlights

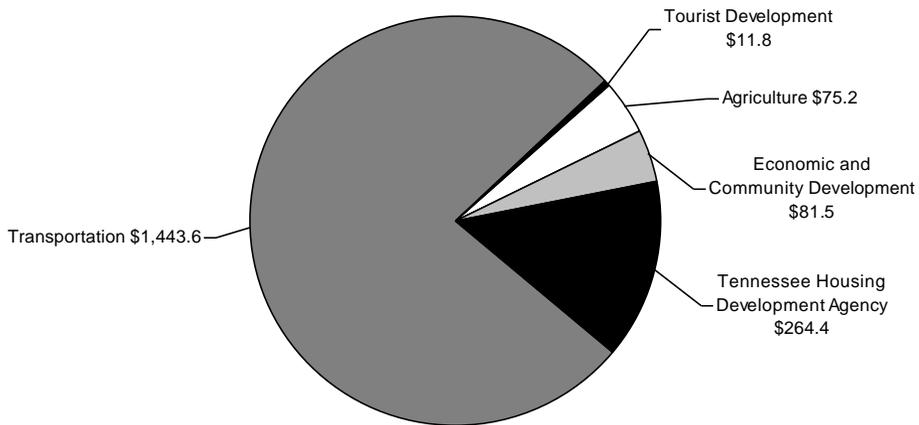
Department of Economic and Community Development

The recommended budget includes \$1.5 million in state funds to match a \$3 million National Science Foundation grant to the Tennessee Technology Development Corporation. The grant will be used to enhance scientific and technological research in Tennessee.

The following graph depicts the manner in which funds are divided among the departments within this functional group. Funding mixes within each department vary,

as some are exclusively state funded and others represent state, federal, and other sources of funding.

Transportation, Business and Economic Development FY 2003 - 2004 Recommended



In Millions
\$1,876,410,300 Total

Transportation, Business, and Economic Development Total Personnel and Funding

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Recommended 2003-2004</u> |
|---------------------|-------------------------------|--------------------------------|----------------------------------|
| Personnel | | | |
| Full Time | 6,415 | 6,149 | 6,056 |
| Part Time | 6 | 5 | 5 |
| Seasonal | 265 | 234 | 231 |
| TOTAL | <u>6,686</u> | <u>6,388</u> | <u>6,292</u> |
| Expenditures | | | |
| Payroll | \$218,664,200 | \$243,604,000 | \$250,017,200 |
| Operational | 1,394,033,500 | 1,747,687,100 | 1,623,393,100 |
| TOTAL | <u>\$1,612,697,700</u> | <u>\$1,991,291,100</u> | <u>\$1,873,410,300</u> |
| Funding | | | |
| State | \$846,219,800 | \$847,167,900 | \$791,780,400 |
| Federal | 705,171,700 | 1,067,251,000 | 1,005,823,400 |
| Other | 61,306,200 | 76,872,200 | 75,806,500 |

**Transportation, Business and Economic Development
Improvements for Fiscal Year 2003-2004**

| | <u>State</u> | <u>Federal</u> | <u>Other</u> | <u>Total</u> | <u>Positions</u> |
|--|--------------------|----------------|--------------|--------------------|------------------|
| Economic and Community Development | | | | | |
| • National Science Foundation Grant | | | | | |
| To provide state funds to match a \$3 million National Science Foundation grant to the Tennessee Technology Development Corporation. The grant will support efforts to improve Tennessee's research and development competitiveness. | | | | | |
| 330.01 Administrative Services | \$1,500,000 | \$0 | \$0 | \$1,500,000 | 0 |
| Sub-total | \$1,500,000 | \$0 | \$0 | \$1,500,000 | 0 |
| Total Economic and Community Development | \$1,500,000 | \$0 | \$0 | \$1,500,000 | 0 |
| Total Transportation, Business and Economic Development | \$1,500,000 | \$0 | \$0 | \$1,500,000 | 0 |

Tennessee Housing Development Agency

The Tennessee Housing Development Agency (THDA) provides opportunities for decent, affordable housing for low and moderate income Tennesseans. THDA was created in response to a need for housing initiatives in rural areas, but it also performs activities in the major urban centers. The agency is authorized to sell tax-exempt revenue notes and bonds to provide funds for making below-market interest rate mortgage loans. Through the U.S. Department of Housing and Urban Development's Section 8 program, THDA provides rental subsidies to assist renters in need and administers project-based contracts. THDA also administers the HOME program, a federally funded grant program that assists local housing providers in implementing affordable housing plans.

Activities of THDA include the rehabilitation and construction of rental and homeowner housing. The Low Income Housing Tax Credit program, administered by THDA, supports acquisition, rehabilitation and new construction of rental units for low income tenants. THDA has a governing board composed of state officials and gubernatorial and legislative appointees that are active and knowledgeable in their respective industries.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 316.20 Tennessee Housing Development Agency | | | | | |
| Full-Time | 174 | 180 | 180 | 0 | 180 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 174 | 180 | 180 | 0 | 180 |
| Payroll | 7,286,400 | 8,255,700 | 8,255,700 | 0 | 8,255,700 |
| Operational | 138,380,500 | 256,095,200 | 256,095,200 | 0 | 256,095,200 |
| Total | \$145,666,900 | \$264,350,900 | \$264,350,900 | \$0 | \$264,350,900 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 136,299,200 | 248,120,100 | 249,734,100 | 0 | 249,734,100 |
| Other | 9,367,700 | 16,230,800 | 14,616,800 | 0 | 14,616,800 |

Department of Agriculture

The Tennessee Department of Agriculture (TDA) was the very first state agency, established in 1854 to promote agriculture through fairs and livestock expositions. This tradition continues today as the department helps expand markets for farm and forest products through promotions and industry development activities. TDA provides an array of valuable consumer services from food safety and product quality assurance to pesticide regulation and environmental monitoring. Forestry services include landowner assistance, wildfire suppression, and state forest management. Water quality programs encourage and promote wise stewardship of our natural resources. The department's mission is performed within the following four major areas:

- Administration and Grants
- Market Development
- Regulatory Services
- Forestry.

Administration and Grants

Administration coordinates various duties including policy and strategic planning, budgeting, personnel administration, legal, and information services. The division also monitors grant-based programs in the areas of soil conservation and water quality, pesticide pollution and abatement, commodity distribution assistance to eligible recipients, forestry incentives, and volunteer fire department assistance. Overseeing the distribution of donated surplus USDA food is also an important function of this area. The department cooperates with the National Agricultural Statistics Service to collect, analyze, and publish reliable data for producers and decision makers in agriculture.

TDA administers programs to help reduce soil erosion on Tennessee farms and forestlands and to improve water quality. Through the Agricultural Resources Conservation Fund, cost-share grants are provided to farmers and other landowners who install best management practices to achieve these goals.

The Tennessee Grain Indemnity Fund protects grain producers against the financial failure of a commodity dealer or warehouseman. The program is funded from interest income and grain producers' self-imposed assessments.

Funds deposited in the Certified Cotton Growers Organizational Fund are used for the Boll Weevil Eradication Program. The purpose of this program is to destroy, suppress, and eradicate boll weevils.

Administration also provides staff support and data management services for the Tennessee Tobacco Farmers Certifying Board. The board is responsible for certifying tobacco farmers eligible to receive a share of the (Phase II) National Tobacco Growers Settlement Trust.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 325.01 Administration and Grants | | | | | |
| Full-Time | 77 | 80 | 78 | 0 | 78 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 1 | 1 | 1 | 0 | 1 |
| Total | 78 | 81 | 79 | 0 | 79 |
| Payroll | 3,487,200 | 3,969,600 | 3,905,700 | 0 | 3,905,700 |
| Operational | 9,831,400 | 9,824,500 | 9,365,300 | 0 | 9,365,300 |
| Total | \$13,318,600 | \$13,794,100 | \$13,271,000 | \$0 | \$13,271,000 |
| State | 8,769,000 | 9,306,100 | 8,549,000 | 0 | 8,549,000 |
| Federal | 4,537,000 | 4,238,200 | 4,338,200 | 0 | 4,338,200 |
| Other | 12,600 | 249,800 | 383,800 | 0 | 383,800 |
| 325.08 Agricultural Resources Conservation Fund | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 3,538,600 | 3,005,000 | 3,005,000 | 0 | 3,005,000 |
| Total | \$3,538,600 | \$3,005,000 | \$3,005,000 | \$0 | \$3,005,000 |
| State | 2,905,000 | 2,905,000 | 2,905,000 | 0 | 2,905,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 633,600 | 100,000 | 100,000 | 0 | 100,000 |
| 325.12 Tennessee Grain Indemnity Fund | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 94,900 | 141,700 | 126,700 | 0 | 126,700 |
| Total | \$94,900 | \$141,700 | \$126,700 | \$0 | \$126,700 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 94,900 | 141,700 | 126,700 | 0 | 126,700 |
| 325.14 Certified Cotton Growers' Organization Fund | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 12,546,500 | 15,435,000 | 15,435,000 | 0 | 15,435,000 |
| Total | \$12,546,500 | \$15,435,000 | \$15,435,000 | \$0 | \$15,435,000 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| State | 12,492,700 | 15,435,000 | 15,435,000 | 0 | 15,435,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 53,800 | 0 | 0 | 0 | 0 |

Market Development

The Market Development division works to develop domestic and foreign markets for Tennessee agricultural and forest products, and to attract agriculture and forest industry to the state. Marketing efforts promote a variety of products including horticultural material, livestock, fruits and vegetables, value-added products, aquaculture, Tennessee wines, and other products. Market Development also encourages local non-profit agricultural fairs and livestock shows throughout the state by providing financial assistance.

325.06 Market Development

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 26 | 27 | 26 | 0 | 26 |
| Part-Time | 3 | 2 | 2 | 0 | 2 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 29 | 29 | 28 | 0 | 28 |
| Payroll | 1,032,400 | 1,269,800 | 1,212,300 | 0 | 1,212,300 |
| Operational | 1,482,300 | 1,957,100 | 1,338,400 | 0 | 1,338,400 |
| Total | \$2,514,700 | \$3,226,900 | \$2,550,700 | \$0 | \$2,550,700 |
| State | 1,873,900 | 2,482,100 | 2,288,600 | 0 | 2,288,600 |
| Federal | 469,300 | 554,800 | 72,100 | 0 | 72,100 |
| Other | 171,500 | 190,000 | 190,000 | 0 | 190,000 |

Regulatory Services

Regulatory Services is dedicated to the two main categories of production quality and consumer protection. Responsibilities of the division encompass various activities such as sampling the quality of feeds, seeds, and fertilizers; protecting animal and plant health; registering pesticides; ensuring food safety; and inspecting processing establishments. A state of the art laboratory supports other regulatory efforts by providing quality analytical data.

325.05 Regulatory Services

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 222 | 224 | 216 | 0 | 216 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 3 | 3 | 3 | 0 | 3 |
| Total | 225 | 227 | 219 | 0 | 219 |
| Payroll | 8,297,400 | 9,691,400 | 9,393,200 | 0 | 9,393,200 |
| Operational | 4,076,100 | 5,879,400 | 5,769,000 | 0 | 5,769,000 |
| Total | \$12,373,500 | \$15,570,800 | \$15,162,200 | \$0 | \$15,162,200 |
| State | 8,161,400 | 10,075,300 | 9,230,300 | 0 | 9,230,300 |
| Federal | 946,700 | 1,200,300 | 1,200,300 | 0 | 1,200,300 |
| Other | 3,265,400 | 4,295,200 | 4,731,600 | 0 | 4,731,600 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|

325.16 Agricultural Regulatory Fund

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 2,137,000 | 2,023,000 | 2,474,400 | 0 | 2,474,400 |
| Total | \$2,137,000 | \$2,023,000 | \$2,474,400 | \$0 | \$2,474,400 |
| State | 2,027,700 | 1,903,000 | 2,354,400 | 0 | 2,354,400 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 109,300 | 120,000 | 120,000 | 0 | 120,000 |

Forestry

The Forestry Division provides operational support and maintenance to Tennessee's abundant public and private forest resources. Forestry's programs and services include fire suppression, water quality protection, insect and disease control, land owner assistance, tree improvement and seedling production, product utilization and promotion, urban forestry and state forest management. The Forestry Maintenance Division provides maintenance and support of forestry facilities and equipment.

325.10 Forestry

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 359 | 354 | 332 | 0 | 332 |
| Part-Time | 3 | 3 | 3 | 0 | 3 |
| Seasonal | 230 | 230 | 227 | 0 | 227 |
| Total | 592 | 587 | 562 | 0 | 562 |
| Payroll | 13,064,800 | 14,973,600 | 14,007,700 | 0 | 14,007,700 |
| Operational | 13,793,400 | 10,830,700 | 9,049,200 | 0 | 9,049,200 |
| Total | \$26,858,200 | \$25,804,300 | \$23,056,900 | \$0 | \$23,056,900 |
| State | 15,071,600 | 17,470,500 | 15,615,100 | 0 | 15,615,100 |
| Federal | 9,167,100 | 5,684,500 | 4,722,600 | 0 | 4,722,600 |
| Other | 2,619,500 | 2,649,300 | 2,719,200 | 0 | 2,719,200 |

325.11 Forestry Maintenance

| | | | | | |
|--------------|------------------|------------------|------------------|------------|------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 158,800 | 158,500 | 158,500 | 0 | 158,500 |
| Total | \$158,800 | \$158,500 | \$158,500 | \$0 | \$158,500 |
| State | 158,500 | 158,500 | 158,500 | 0 | 158,500 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 300 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 325.00 Department Total | | | | | |
| Full-Time | 684 | 685 | 652 | 0 | 652 |
| Part-Time | 6 | 5 | 5 | 0 | 5 |
| Seasonal | 234 | 234 | 231 | 0 | 231 |
| Total | 924 | 924 | 888 | 0 | 888 |
| Payroll | 25,881,800 | 29,904,400 | 28,518,900 | 0 | 28,518,900 |
| Operational | 47,659,000 | 49,254,900 | 46,721,500 | 0 | 46,721,500 |
| Total | \$73,540,800 | \$79,159,300 | \$75,240,400 | \$0 | \$75,240,400 |
| State | 51,459,800 | 59,735,500 | 56,535,900 | 0 | 56,535,900 |
| Federal | 15,120,100 | 11,677,800 | 10,333,200 | 0 | 10,333,200 |
| Other | 6,960,900 | 7,746,000 | 8,371,300 | 0 | 8,371,300 |

Department of Tourist Development

The Department of Tourist Development is responsible for planning and implementing marketing and service programs that increase the economic impact of tourism. These programs are designed to enhance Tennessee's image as a primary tourist destination, thus increasing the number of travelers and tourists coming to Tennessee. The department also helps in developing new tourism programs in smaller communities to positively impact local economic development. In addition, the department provides visitors to Tennessee's thirteen welcome centers with a safe, positive impression of Tennessee. To achieve these and other program activities, the department is organized into two divisions - Administration and Marketing and Welcome Centers.

Administration and Marketing

This division is responsible for the overall administration of the department including financial services, information system services, and support services. In addition, the management and implementation of the department's marketing programs and services are accomplished in this division. Some of the specific marketing programs include:

- Creating, producing, and placing broadcast and print media campaigns
- Developing direct sales programs which target group tour companies, travel agents, and international tour operators
- Promoting Tennessee to the media and national travel press by writing and distributing camera-ready travel articles and sponsoring travel writer press trips to Tennessee locations
- Developing brochures and travel literature promoting Tennessee for distribution to customers
- Collecting travel data and developing marketing research information
- Developing rural and heritage tourism promotional opportunities by directly working with local communities
- Providing co-op advertising, marketing, and promotional opportunities to businesses in the travel industry.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 326.01 Administration and Marketing | | | | | |
| Full-Time | 27 | 27 | 25 | 0 | 25 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 27 | 27 | 25 | 0 | 25 |
| Payroll | 1,274,100 | 1,389,700 | 1,293,800 | 0 | 1,293,800 |
| Operational | 6,500,900 | 6,912,100 | 6,135,200 | 0 | 6,135,200 |
| Total | \$7,775,000 | \$8,301,800 | \$7,429,000 | \$0 | \$7,429,000 |
| State | 7,773,100 | 8,291,800 | 7,419,000 | 0 | 7,419,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 1,900 | 10,000 | 10,000 | 0 | 10,000 |

Welcome Centers

This division is responsible for the operation of the thirteen welcome centers located on Tennessee's interstate highways. These centers are the initial contact point for travelers entering Tennessee. The staff at the welcome centers provide free travel information, brochures, literature, and reservations to the millions of visitors who stop at the centers each year.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 326.03 Welcome Centers | | | | | |
| Full-Time | 123 | 123 | 117 | 0 | 117 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 123 | 123 | 117 | 0 | 117 |
| Payroll | 3,296,500 | 3,552,900 | 3,401,800 | 0 | 3,401,800 |
| Operational | 1,058,500 | 991,500 | 928,600 | 0 | 928,600 |
| Total | \$4,355,000 | \$4,544,400 | \$4,330,400 | \$0 | \$4,330,400 |
| State | 2,000 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 4,353,000 | 4,544,400 | 4,330,400 | 0 | 4,330,400 |
| 326.00 Department Total | | | | | |
| Full-Time | 150 | 150 | 142 | 0 | 142 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 150 | 150 | 142 | 0 | 142 |
| Payroll | 4,570,600 | 4,942,600 | 4,695,600 | 0 | 4,695,600 |
| Operational | 7,559,400 | 7,903,600 | 7,063,800 | 0 | 7,063,800 |
| Total | \$12,130,000 | \$12,846,200 | \$11,759,400 | \$0 | \$11,759,400 |
| State | 7,775,100 | 8,291,800 | 7,419,000 | 0 | 7,419,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 4,354,900 | 4,554,400 | 4,340,400 | 0 | 4,340,400 |

Department of Economic and Community Development

The Department of Economic and Community Development (ECD) encourages new job creation and better job opportunities throughout the state in an effort to improve the economic growth within the state. The philosophy of the Department of Economic and Community Development is to invest in Tennessee's greatest resources - the state's communities and people - through assistance in community-based infrastructure and training investments. ECD's top priorities are preparing local communities for economic development opportunities, training Tennessee's workers, recruiting new industries and assisting existing firms.

The Department of Economic and Community Development has six functional areas:

- Administrative Services
- Industrial Development
- Business Services
- Industrial Training Service and Job Skills
- Community Development services
- Energy Division.

Administrative Services

Administrative Services performs and coordinates research, advertising, communications, and various administrative services. The Industrial Research Section provides statistical data in support of other divisions and services to existing industries. Specific services include maintaining a database on manufacturing companies in the state, conducting prospect feasibility studies, and preparing business cost comparisons. The Advertising and Communications Office serves the public affairs needs of each division, coordinates the advertising needs and produces informational publications. The Tennessee Technology Development Corporation promotes in-state technology development and the recruitment of high technology industries.

The Tennessee Film, Entertainment and Music Commission is administratively attached to ECD. The commission attracts television, commercial, movie, and videotape projects to Tennessee and promotes the use of Tennessee locations and artists in those productions. Some activities include:

- Reading scripts and storyboards
- Acting as liaison with local communities
- Assisting with advance scouting and accommodations
- Matching scenes to Tennessee locations.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---------------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 330.01 Administrative Services | | | | | |
| Full-Time | 39 | 39 | 38 | 0 | 38 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 39 | 39 | 38 | 0 | 38 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 1,747,000 | 2,034,500 | 2,070,100 | 0 | 2,070,100 |
| Operational | 2,107,300 | 2,440,100 | 2,331,100 | 1,500,000 | 3,831,100 |
| Total | \$3,854,300 | \$4,474,600 | \$4,401,200 | \$1,500,000 | \$5,901,200 |
| State | 3,465,200 | 4,224,700 | 4,151,300 | 1,500,000 | 5,651,300 |
| Federal | 211,400 | 85,400 | 85,400 | 0 | 85,400 |
| Other | 177,700 | 164,500 | 164,500 | 0 | 164,500 |

Industrial Development

Marketing services personnel, through the Industrial Development division, act as the state's sales force to recruit new industry from domestic and international markets. The Office of International Affairs, also within this division, serves to boost Tennessee's global business connections and elevate the state's image as a premier international business location and a source of quality products and services.

330.02 Industrial Development

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 23 | 23 | 23 | 0 | 23 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 23 | 23 | 23 | 0 | 23 |
| Payroll | 1,289,500 | 1,286,900 | 1,344,500 | 0 | 1,344,500 |
| Operational | 5,570,900 | 5,107,900 | 3,354,100 | 0 | 3,354,100 |
| Total | \$6,860,400 | \$6,394,800 | \$4,698,600 | \$0 | \$4,698,600 |
| State | 5,145,900 | 5,054,800 | 3,358,600 | 0 | 3,358,600 |
| Federal | 27,600 | 0 | 0 | 0 | 0 |
| Other | 1,686,900 | 1,340,000 | 1,340,000 | 0 | 1,340,000 |

Business Services

Business Services addresses the needs of existing businesses. Specific programs include:

- Existing Industry Services
- Office of Small Business Services
- Office of Minority Business Enterprise.

330.05 Business Services

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 14 | 13 | 12 | 0 | 12 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 14 | 13 | 12 | 0 | 12 |
| Payroll | 711,600 | 820,600 | 763,100 | 0 | 763,100 |
| Operational | 912,600 | 916,300 | 898,300 | 0 | 898,300 |
| Total | \$1,624,200 | \$1,736,900 | \$1,661,400 | \$0 | \$1,661,400 |
| State | 1,244,900 | 1,275,200 | 1,199,700 | 0 | 1,199,700 |
| Federal | 20,000 | 7,700 | 7,700 | 0 | 7,700 |
| Other | 359,300 | 454,000 | 454,000 | 0 | 454,000 |

The Small and Minority Owned Telecommunications Program provides loan guarantees, education, training, consulting, and technical assistance to help small, minority and/or women-owned telecommunications businesses grow in Tennessee.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|---|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 330.03 Small and Minority Owned Telecommunications Program | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 80,000 | 80,100 | 80,100 | 0 | 80,100 |
| Total | \$80,000 | \$80,100 | \$80,100 | \$0 | \$80,100 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 80,000 | 80,100 | 80,100 | 0 | 80,100 |

Industrial Training Service and Job Skills

Industrial Training Services provides customized training assistance to new and expanding business and industry in Tennessee. The training assistance acts as an incentive for these employers to locate or expand in Tennessee.

330.09 Industrial Training Service

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 7 | 7 | 7 | 0 | 7 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 7 | 7 | 7 | 0 | 7 |
| Payroll | 203,200 | 316,100 | 316,100 | 0 | 316,100 |
| Operational | 1,891,100 | 2,038,700 | 2,038,700 | 0 | 2,038,700 |
| Total | \$2,094,300 | \$2,354,800 | \$2,354,800 | \$0 | \$2,354,800 |
| State | 2,094,300 | 2,354,800 | 2,354,800 | 0 | 2,354,800 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

The Job Skills Fund is a workforce development incentive program designed to enhance employment opportunities and to meet the needs of existing and new industries in Tennessee by providing training grants to eligible employers. Priority is given to employers who promote high-skill, high-wage jobs in advanced technology, emerging occupations, or skilled manufacturing.

330.13 Job Skills Fund

| | | | | | |
|--------------|----------|----------|----------|----------|----------|
| Full-Time | 4 | 4 | 4 | 0 | 4 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 4 | 4 | 4 | 0 | 4 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 243,600 | 267,600 | 267,600 | 0 | 267,600 |
| Operational | 9,373,300 | 9,126,700 | 9,126,700 | 0 | 9,126,700 |
| Total | \$9,616,900 | \$9,394,300 | \$9,394,300 | \$0 | \$9,394,300 |
| State | 8,659,100 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 957,800 | 9,394,300 | 9,394,300 | 0 | 9,394,300 |

Community Development Services

Community Development Services works with communities to ensure they develop and maintain the leadership, organizations, and community facilities essential for economic growth. The Tennessee Industrial Infrastructure Program (TIIP) assists local communities with economic growth by providing grants for infrastructure improvements, industrial site preparation, and industrial training. Infrastructure improvements involve activities such as water, wastewater, and rail services. Industrial site preparation includes grading, leveling, and drainage projects. Other primary activities of Community Development Services include:

- Administering Community Development Block grants, Appalachian Regional Commission grants, and Delta Regional Authority grants
- Administering the Three-Star Community Economic Preparedness Program
- Providing local planning services to Tennessee cities and counties.

330.04 Regional Grants Management

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 19 | 19 | 19 | 0 | 19 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 19 | 19 | 19 | 0 | 19 |
| Payroll | 824,900 | 915,600 | 915,600 | 0 | 915,600 |
| Operational | 37,558,200 | 32,875,100 | 32,780,600 | 0 | 32,780,600 |
| Total | \$38,383,100 | \$33,790,700 | \$33,696,200 | \$0 | \$33,696,200 |
| State | 1,739,200 | 1,771,200 | 1,676,700 | 0 | 1,676,700 |
| Federal | 36,558,000 | 31,949,500 | 31,949,500 | 0 | 31,949,500 |
| Other | 85,900 | 70,000 | 70,000 | 0 | 70,000 |

330.06 Tennessee Industrial Infrastructure Program (TIIP)

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 14,164,400 | 14,532,000 | 13,632,000 | 0 | 13,632,000 |
| Total | \$14,164,400 | \$14,532,000 | \$13,632,000 | \$0 | \$13,632,000 |
| State | 14,096,800 | 14,500,000 | 13,600,000 | 0 | 13,600,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 67,600 | 32,000 | 32,000 | 0 | 32,000 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|-------------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 330.07 Community Development | | | | | |
| Full-Time | 79 | 79 | 79 | 0 | 79 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 79 | 79 | 79 | 0 | 79 |
| Payroll | 3,223,700 | 3,600,000 | 3,600,000 | 0 | 3,600,000 |
| Operational | 838,600 | 874,500 | 829,000 | 0 | 829,000 |
| Total | \$4,062,300 | \$4,474,500 | \$4,429,000 | \$0 | \$4,429,000 |
| State | 2,505,700 | 3,168,000 | 3,122,500 | 0 | 3,122,500 |
| Federal | 85,300 | 144,400 | 144,400 | 0 | 144,400 |
| Other | 1,471,300 | 1,162,100 | 1,162,100 | 0 | 1,162,100 |

Energy Division

The Energy Division promotes efficient and economic use of energy by public and private sectors of the Tennessee economy. This division, through grants from the U. S. Department of Energy, renders technical and financial assistance to Tennessee's existing businesses, local governments, schools, and hospitals in order to reduce energy costs.

330.08 Energy Division

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 15 | 15 | 15 | 0 | 15 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 15 | 15 | 15 | 0 | 15 |
| Payroll | 610,700 | 807,400 | 777,400 | 0 | 777,400 |
| Operational | 766,800 | 1,844,600 | 1,844,600 | 0 | 1,844,600 |
| Total | \$1,377,500 | \$2,652,000 | \$2,622,000 | \$0 | \$2,622,000 |
| State | 48,800 | 41,900 | 11,900 | 0 | 11,900 |
| Federal | 1,328,100 | 2,610,100 | 2,610,100 | 0 | 2,610,100 |
| Other | 600 | 0 | 0 | 0 | 0 |

330.00 Department Total

| | | | | | |
|--------------|---------------------|---------------------|---------------------|--------------------|---------------------|
| Full-Time | 200 | 199 | 197 | 0 | 197 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 200 | 199 | 197 | 0 | 197 |
| Payroll | 8,854,200 | 10,048,700 | 10,054,400 | 0 | 10,054,400 |
| Operational | 73,263,200 | 69,836,000 | 66,915,200 | 1,500,000 | 68,415,200 |
| Total | \$82,117,400 | \$79,884,700 | \$76,969,600 | \$1,500,000 | \$78,469,600 |
| State | 38,999,900 | 32,390,600 | 29,475,500 | 1,500,000 | 30,975,500 |
| Federal | 38,230,400 | 34,797,100 | 34,797,100 | 0 | 34,797,100 |
| Other | 4,887,100 | 12,697,000 | 12,697,000 | 0 | 12,697,000 |

Department of Transportation

The Department of Transportation plans, designs, constructs, and maintains the state's highway network. The department is also responsible for other modes of transportation such as aeronautics, public transit, railroads, and waterways. The Department of Transportation consists of three major program areas:

- Headquarters
- Bureau of Administration
- Bureau of Engineering.

Headquarters

Transportation Headquarters consists of the commissioner's office, staff, and the Aeronautics Division. This office also provides support functions as well as necessary liaison activities with other branches of state government to ensure compliance with all legal and policy requirements.

The Division of Insurance Premiums provides funding for claims payment when litigation requires payment to third parties.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|-------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 401 Headquarters | | | | | |
| Full-Time | 93 | 97 | 97 | 0 | 97 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 93 | 97 | 97 | 0 | 97 |
| Payroll | 4,429,600 | 4,924,900 | 5,019,600 | 0 | 5,019,600 |
| Operational | 7,370,100 | 8,176,100 | 8,284,900 | 0 | 8,284,900 |
| Reallocated | 174,600 | 154,000 | 325,500 | 0 | 325,500 |
| Total | \$11,974,300 | \$13,255,000 | \$13,630,000 | \$0 | \$13,630,000 |
| State | 11,974,300 | 13,255,000 | 13,630,000 | 0 | 13,630,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| 414 Insurance Premiums | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 7,024,200 | 8,490,000 | 8,490,000 | 0 | 8,490,000 |
| Reallocated | 0 | 0 | 0 | 0 | 0 |
| Total | \$7,024,200 | \$8,490,000 | \$8,490,000 | \$0 | \$8,490,000 |
| State | 7,024,200 | 8,490,000 | 8,490,000 | 0 | 8,490,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

Bureau of Administration

This bureau provides funding for the administrative activities of the department. Functions include central services, finance, human resources, information technology, strategic planning and departmental safety. These areas provide general management support to the department.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|-------------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 402 Bureau of Administration | | | | | |
| Full-Time | 239 | 243 | 241 | 0 | 241 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 31 | 0 | 0 | 0 | 0 |
| Total | 270 | 243 | 241 | 0 | 241 |
| Payroll | 10,204,200 | 11,205,700 | 11,828,900 | 0 | 11,828,900 |
| Operational | 15,025,100 | 21,730,100 | 19,115,100 | 0 | 19,115,100 |
| Reallocated | (186,400) | (514,800) | (597,000) | 0 | (597,000) |
| Total | \$25,042,900 | \$32,421,000 | \$30,347,000 | \$0 | \$30,347,000 |
| State | 25,042,900 | 32,421,000 | 30,347,000 | 0 | 30,347,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

Bureau of Engineering

The Bureau of Engineering is responsible for the department's long-range planning and coordinates the construction, maintenance, and inspection of highways, bridges, airports, and navigational equipment. Such activities include:

- Constructing, resurfacing, restoring, and rehabilitating Tennessee's interstate system
- Conducting studies and surveys required by various federal agencies
- Constructing industrial highways, national forest roads, connector routes, bridges, water port facilities, and rail short lines
- Constructing or replacing plant facilities for the Bureau of Engineering
- Providing engineering and administrative support to other state agencies' construction not involving roads in the state highway system
- Eliminating junkyards and control of outdoor advertising and easements
- Providing for high-hazard and roadside obstacle warnings, rail-highway crossings, pavement marking, and railroad safety
- Providing funds for mass transit projects including rideshare programs
- Operating a fleet management program to replace and purchase new mobile equipment
- Conducting a congestion mitigation and air quality program in Tennessee's non-attainment areas
- Maintaining the state's existing motorized equipment (with the exception of the executive line and motor pool vehicles)
- Building and maintaining bicycle trails
- Collecting travel data
- Monitoring affected environment
- Bridge design.

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|----------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 403 Bureau of Engineering | | | | | |
| Full-Time | 1,134 | 1,110 | 1,096 | 0 | 1,096 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 1,134 | 1,110 | 1,096 | 0 | 1,096 |
| Payroll | 47,895,600 | 54,252,200 | 56,612,000 | 0 | 56,612,000 |
| Operational | 1,879,000 | 4,308,800 | 4,076,600 | 0 | 4,076,600 |
| Reallocated | (26,010,700) | (28,969,000) | (31,984,600) | 0 | (31,984,600) |
| Total | \$23,763,900 | \$29,592,000 | \$28,704,000 | \$0 | \$28,704,000 |
| State | 23,763,900 | 29,592,000 | 28,704,000 | 0 | 28,704,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| 412 Field Engineering | | | | | |
| Full-Time | 596 | 596 | 587 | 0 | 587 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 596 | 596 | 587 | 0 | 587 |
| Payroll | 22,149,900 | 24,595,200 | 25,858,700 | 0 | 25,858,700 |
| Operational | 3,463,500 | 5,283,200 | 4,563,500 | 0 | 4,563,500 |
| Reallocated | (2,362,200) | (4,238,400) | (3,719,200) | 0 | (3,719,200) |
| Total | \$23,251,200 | \$25,640,000 | \$26,703,000 | \$0 | \$26,703,000 |
| State | 23,251,200 | 25,640,000 | 26,703,000 | 0 | 26,703,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| 416 Mass Transit | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 36,853,500 | 57,548,500 | 52,801,700 | 0 | 52,801,700 |
| Reallocated | 69,400 | 13,500 | 78,300 | 0 | 78,300 |
| Total | \$36,922,900 | \$57,562,000 | \$52,880,000 | \$0 | \$52,880,000 |
| State | 25,476,800 | 27,489,000 | 28,188,000 | 0 | 28,188,000 |
| Federal | 10,707,600 | 29,856,000 | 24,459,000 | 0 | 24,459,000 |
| Other | 738,500 | 217,000 | 233,000 | 0 | 233,000 |
| 418 Field Construction | | | | | |
| Full-Time | 1,135 | 977 | 968 | 0 | 968 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 1,135 | 977 | 968 | 0 | 968 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 35,499,200 | 37,786,900 | 39,067,300 | 0 | 39,067,300 |
| Operational | 0 | 0 | 0 | 0 | 0 |
| Reallocated | (35,499,200) | (37,786,900) | (39,067,300) | 0 | (39,067,300) |
| Total | \$0 | \$0 | \$0 | \$0 | \$0 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

419 Field Maintenance Operations

| | | | | | |
|--------------|--------------|--------------|--------------|------------|---------------------|
| Full-Time | 1,733 | 1,639 | 1,625 | 0 | 1,625 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 1,733 | 1,639 | 1,625 | 0 | 1,625 |
| Payroll | 43,674,500 | 48,884,800 | 50,914,700 | 0 | 50,914,700 |
| Operational | 0 | 0 | 0 | 0 | 0 |
| Reallocated | (43,674,500) | (48,884,800) | (50,914,700) | 0 | (50,914,700) |
| Total | \$0 | \$0 | \$0 | \$0 | \$0 |
| State | 0 | 0 | 0 | 0 | 0 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

430 Equipment Purchases and Operations

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 277 | 273 | 271 | 0 | 271 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 277 | 273 | 271 | 0 | 271 |
| Payroll | 8,218,200 | 8,802,900 | 9,191,400 | 0 | 9,191,400 |
| Operational | 27,021,600 | 36,887,500 | 32,600,100 | 0 | 32,600,100 |
| Reallocated | (22,590,500) | (24,489,400) | (23,918,500) | 0 | (23,918,500) |
| Total | \$12,649,300 | \$21,201,000 | \$17,873,000 | \$0 | \$17,873,000 |
| State | 12,649,300 | 21,201,000 | 17,873,000 | 0 | 17,873,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |

440 Planning and Research

| | | | | | |
|--------------|---------------------|---------------------|---------------------|------------|---------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 8,465,400 | 14,201,100 | 12,715,000 | 0 | 12,715,000 |
| Reallocated | 5,056,000 | 4,498,900 | 5,785,000 | 0 | 5,785,000 |
| Total | \$13,521,400 | \$18,700,000 | \$18,500,000 | \$0 | \$18,500,000 |
| State | 2,704,300 | 7,700,000 | 7,700,000 | 0 | 7,700,000 |
| Federal | 10,817,100 | 11,000,000 | 10,800,000 | 0 | 10,800,000 |
| Other | 0 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|------------------------------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 451 Highway Maintenance | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 193,492,600 | 210,346,800 | 206,853,000 | 0 | 206,853,000 |
| Reallocated | 66,734,600 | 67,356,200 | 75,873,000 | 0 | 75,873,000 |
| Total | \$260,227,200 | \$277,703,000 | \$282,726,000 | \$0 | \$282,726,000 |
| State | 260,227,200 | 276,603,000 | 281,626,000 | 0 | 281,626,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 1,100,000 | 1,100,000 | 0 | 1,100,000 |
| 453 Highway Betterments | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 6,317,600 | 7,381,200 | 5,032,200 | 0 | 5,032,200 |
| Reallocated | 679,300 | 583,800 | 767,800 | 0 | 767,800 |
| Total | \$6,996,900 | \$7,965,000 | \$5,800,000 | \$0 | \$5,800,000 |
| State | 6,996,900 | 7,865,000 | 5,700,000 | 0 | 5,700,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 100,000 | 100,000 | 0 | 100,000 |
| 455 State Aid | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 20,258,600 | 41,607,000 | 37,915,800 | 0 | 37,915,800 |
| Reallocated | 196,700 | 218,000 | 229,200 | 0 | 229,200 |
| Total | \$20,455,300 | \$41,825,000 | \$38,145,000 | \$0 | \$38,145,000 |
| State | 14,932,400 | 30,682,000 | 27,922,000 | 0 | 27,922,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 5,522,900 | 11,143,000 | 10,223,000 | 0 | 10,223,000 |
| 470 State Industrial Access | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 7,771,900 | 9,737,500 | 9,718,800 | 0 | 9,718,800 |
| Reallocated | 1,136,700 | 1,277,500 | 1,296,200 | 0 | 1,296,200 |
| Total | \$8,908,600 | \$11,015,000 | \$11,015,000 | \$0 | \$11,015,000 |
| State | 8,908,600 | 10,815,000 | 10,815,000 | 0 | 10,815,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 200,000 | 200,000 | 0 | 200,000 |

472 Interstate Construction

| | | | | | |
|--------------|----------------------|----------------------|----------------------|------------|----------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 120,670,700 | 145,514,400 | 124,561,900 | 0 | 124,561,900 |
| Reallocated | 6,273,200 | 4,410,600 | 7,263,100 | 0 | 7,263,100 |
| Total | \$126,943,900 | \$149,925,000 | \$131,825,000 | \$0 | \$131,825,000 |
| State | 11,425,000 | 17,025,000 | 13,025,000 | 0 | 13,025,000 |
| Federal | 112,980,000 | 131,400,000 | 117,300,000 | 0 | 117,300,000 |
| Other | 2,538,900 | 1,500,000 | 1,500,000 | 0 | 1,500,000 |

475 Forest Highways

| | | | | | |
|--------------|-----------------|------------------|------------------|------------|------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 26,100 | 896,300 | 894,800 | 0 | 894,800 |
| Reallocated | 4,500 | 3,700 | 5,200 | 0 | 5,200 |
| Total | \$30,600 | \$900,000 | \$900,000 | \$0 | \$900,000 |
| State | 6,100 | 200,000 | 200,000 | 0 | 200,000 |
| Federal | 24,500 | 700,000 | 700,000 | 0 | 700,000 |
| Other | 0 | 0 | 0 | 0 | 0 |

478 Local Interstate Connectors

| | | | | | |
|--------------|--------------------|--------------------|--------------------|------------|--------------------|
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 6,119,700 | 2,763,800 | 2,488,200 | 0 | 2,488,200 |
| Reallocated | 401,400 | 186,200 | 461,800 | 0 | 461,800 |
| Total | \$6,521,100 | \$2,950,000 | \$2,950,000 | \$0 | \$2,950,000 |
| State | 3,260,500 | 1,475,000 | 1,475,000 | 0 | 1,475,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 3,260,600 | 1,475,000 | 1,475,000 | 0 | 1,475,000 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| 480 State Highway Construction | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 573,749,400 | 652,874,700 | 591,028,600 | 0 | 591,028,600 |
| Reallocated | 38,637,900 | 57,862,300 | 45,499,400 | 0 | 45,499,400 |
| Total | \$612,387,300 | \$710,737,000 | \$636,528,000 | \$0 | \$636,528,000 |
| State | 275,574,300 | 199,837,000 | 157,578,000 | 0 | 157,578,000 |
| Federal | 318,441,400 | 498,300,000 | 466,300,000 | 0 | 466,300,000 |
| Other | 18,371,600 | 12,600,000 | 12,650,000 | 0 | 12,650,000 |
| 481 Capital Improvements | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 7,316,300 | 6,597,200 | 7,258,600 | 0 | 7,258,600 |
| Reallocated | 101,000 | 62,800 | 115,400 | 0 | 115,400 |
| Total | \$7,417,300 | \$6,660,000 | \$7,374,000 | \$0 | \$7,374,000 |
| State | 7,417,300 | 6,660,000 | 7,374,000 | 0 | 7,374,000 |
| Federal | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| 488 Bridge Replacement | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 61,662,300 | 89,949,200 | 74,902,000 | 0 | 74,902,000 |
| Reallocated | 10,855,200 | 8,250,800 | 12,498,000 | 0 | 12,498,000 |
| Total | \$72,517,500 | \$98,200,000 | \$87,400,000 | \$0 | \$87,400,000 |
| State | 9,427,300 | 5,800,000 | 5,000,000 | 0 | 5,000,000 |
| Federal | 58,014,000 | 88,700,000 | 78,700,000 | 0 | 78,700,000 |
| Other | 5,076,200 | 3,700,000 | 3,700,000 | 0 | 3,700,000 |
| 494 Air, Water, and Rail Transportation | | | | | |
| Full-Time | 0 | 0 | 0 | 0 | 0 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

| | <u>Actual 2001-2002</u> | <u>Estimated 2002-2003</u> | <u>Base 2003-2004</u> | <u>Improvement 2003-2004</u> | <u>Recommended 2003-2004</u> |
|--------------|-----------------------------|--------------------------------|---------------------------|----------------------------------|----------------------------------|
| Payroll | 0 | 0 | 0 | 0 | 0 |
| Operational | 22,683,800 | 40,304,000 | 41,796,600 | 0 | 41,796,600 |
| Reallocated | 3,000 | 5,000 | 3,400 | 0 | 3,400 |
| Total | \$22,686,800 | \$40,309,000 | \$41,800,000 | \$0 | \$41,800,000 |
| State | 17,922,500 | 24,000,000 | 24,500,000 | 0 | 24,500,000 |
| Federal | 4,537,400 | 12,700,000 | 12,700,000 | 0 | 12,700,000 |
| Other | 226,900 | 3,609,000 | 4,600,000 | 0 | 4,600,000 |

400 Department Total

| | | | | | |
|--------------|------------------------|------------------------|------------------------|------------|------------------------|
| Full-Time | 5,207 | 4,935 | 4,885 | 0 | 4,885 |
| Part-Time | 0 | 0 | 0 | 0 | 0 |
| Seasonal | 31 | 0 | 0 | 0 | 0 |
| Total | 5,238 | 4,935 | 4,885 | 0 | 4,885 |
| Payroll | 172,071,200 | 190,452,600 | 198,492,600 | 0 | 198,492,600 |
| Operational | 1,127,171,400 | 1,364,597,400 | 1,245,097,400 | 0 | 1,245,097,400 |
| Reallocated | 0 | 0 | 0 | 0 | 0 |
| Total | \$1,299,242,600 | \$1,555,050,000 | \$1,443,590,000 | \$0 | \$1,443,590,000 |
| State | 747,985,000 | 746,750,000 | 696,850,000 | 0 | 696,850,000 |
| Federal | 515,522,000 | 772,656,000 | 710,959,000 | 0 | 710,959,000 |
| Other | 35,735,600 | 35,644,000 | 35,781,000 | 0 | 35,781,000 |

Transportation, Business and Economic Development

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|-------------------|---------|---------------------|------------------------|------------------------|
|-------------------|---------|---------------------|------------------------|------------------------|

Tennessee Housing Development Agency

• Mortgage Administration

| | | | | |
|--|--|-----------------|-----------------|-----------------|
| Mortgages serviced | Value of loans serviced (not part of operating budget) | \$1,537,360,000 | \$1,573,927,584 | \$1,573,927,584 |
| Serve as the master servicer for all active mortgages funded by THDA | Number of loans serviced | 29,303 | 30,000 | 30,000 |

• Homeownership

| | | | | |
|---|--|---------------|---------------|---------------|
| First time homebuyers | Value of loans serviced (not part of operating budget) | \$232,157,353 | \$236,172,282 | \$236,172,282 |
| Provide funding for below market rate mortgage loans to first time homebuyers | Number of loans funded | 2,949 | 3,000 | 3,000 |

• Community Programs

| | | | | |
|---|-------------------------------|-----|-----|-----|
| Administer the federal HOME grant program | Number of grants administered | 292 | 275 | 300 |
| Administer the HOUSE grant program | Number of grants administered | 526 | 250 | 50 |

• Multi-Family Housing and Special Projects

| | | | | |
|--|--|-------|-------|-------|
| Administer the Low Income Housing Tax Credit program | Number of units created via tax credit awards | 2,028 | 1,750 | 1,750 |
| Provide multi-family bonding authority to local governments for affordable housing | Number of units created via tax exempt bond allocation | 244 | 500 | 500 |

• Section 8 Rental Assistance

| | | | | |
|--|---|--------------|--------------|--------------|
| Administer the federal Section 8 voucher program | Number of vouchers issued/units under lease | 5,465 | 5,500 | 5,650 |
| Vouchers issued | Percentage of HUD allocation | 99.4% | 100% | 100% |
| Vouchers issued | Value of assistance | \$21,715,257 | \$21,685,000 | \$21,850,000 |

• Section 8 Contract Administration

| | | | | |
|--|-----------------------------|--------|--------|--------|
| Administer the federal Section 8 Project Based Rental Assistance program | Number of units under lease | 25,982 | 26,500 | 27,500 |
|--|-----------------------------|--------|--------|--------|

Agriculture

• Market Development

| | | | | |
|---|---|--------------|--------------|--------------|
| Increase economic opportunities in agribusiness | Private entity investment in agribusiness development | \$31,260,000 | \$10,000,000 | \$12,000,000 |
| Develop international markets for Tennessee agricultural products | International marketing companies participating | 58 | 60 | 62 |

Transportation, Business and Economic Development

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|---|---------------------|------------------------|------------------------|
| Develop domestic markets for Tennessee agricultural products | Sales generated by companies and farmers involved in sponsored trade events | \$7,243,148 | \$4,500,000 | \$3,500,000 |
| Report livestock grading and market news | Number of cattle reported/graded | 704,091 | 700,000 | 800,000 |
| Fruit and vegetable inspection | Number of inspections | 740 | 750 | 750 |
| • Agricultural Inputs | | | | |
| Monitor agricultural product labeling and input disclosure | Percentage of inspections that yield a violation cited during inspection | 7% | 5% | 5% |
| Monitor agricultural product labeling and input disclosure | Percentage of non - violative samples | 95.5% | 96% | 96% |
| • Animal Health | | | | |
| Perform animal pathology analysis | Number of tests | 46,800 | 45,000 | 45,000 |
| • Boll Weevil | | | | |
| Eradicate boll weevils | Total number of boll weevils captured | 1,417,800 | 535,000 | 240,750 |
| • Consumer Fairness | | | | |
| Perform accurate weights and measures analysis | Percentage of devices passing tests | 95% | 97% | 97% |
| Perform accurate weights and measures analysis | Percentage of assigned inspections completed | 80% | 85% | 85% |
| Conduct calibration tests in metrology lab | Number of tests | 6,141 | 6,100 | 6,100 |
| Conduct tests for kerosene and motor fuel quality | Percentage of violations found | 1.8% | 1.5% | 1.5% |
| • Forest Fire Protection | | | | |
| Conduct fire prevention/protection programs to insure fewer than 3,000 fires per year | Number of fires per year | 2,739 | 3,000 | 3,000 |
| Limit average fire size to 10 acres per fire | Average fire size in acres | 24.9 | 10 | 10 |
| • Food Safety | | | | |
| Insure food safety | Number of inspections | 23,349 | 24,000 | 24,000 |
| Insure food safety | Number of food samples | 4,871 | 5,000 | 5,000 |
| • Forest Resource Management | | | | |
| Effectively manage private lands | Landowners directly assisted with forestry planning advice | 1,863 assists | 2,000 assists | 2,000 assists |
| Protect forests from destructive insects and diseases | Acres surveyed for destructive insects and diseases | 8,000,000 | 8,000,000 | 8,000,000 |
| Maintain an inventory of Tennessee forests | Inventory plots measured | 610 | 925 | 925 |

Transportation, Business and Economic Development

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|--|---------------------|------------------------|------------------------|
| Reforest and afforest private lands | Acres reforested/afforested with trees | 8,063 | 10,000 | 10,000 |
| • Nutrition Assistance | | | | |
| Increase food value ordered for Tennessee agencies serving needy populations | Value of Emergency Food Assistance Program orders | \$9,300,000 | \$9,500,000 | \$9,600,000 |
| Increase food value ordered for Tennessee schools and residential institutions | Value of National School Lunch Program orders | \$18,700,000 | \$19,000,000 | \$19,200,000 |
| • Pest Management | | | | |
| Promote safe and effective use and storage of pesticides | Number of inspections completed | 3,569 | 3,500 | 3,500 |
| Promote safe and effective use and storage of pesticides | Number of samples analyzed | 585 | 600 | 600 |
| • Plant Certification | | | | |
| Monitor plant certification | Number of inspections | 6,408 | 6,100 | 6,100 |
| • Water Quality | | | | |
| Insure the reduction or elimination of pollutants entering waters of Tennessee | Number of Best Management Practices installed through Agricultural Resources Conservation Fund | 1,538 | 1,500 | 1,500 |
| Insure the reduction or elimination of pollutants entering waters of Tennessee | Number of Animal Waste Systems installed | 25 | 30 | 30 |
| Insure the reduction or elimination of pollutants entering waters of Tennessee | Number of Livestock Exclusion Systems installed | 28 | 35 | 35 |
| Insure the reduction or elimination of pollutants entering waters of Tennessee | Number of Best Management Practices through 319 grant pool | 151 | 170 | 170 |
| Increase awareness and knowledge of water quality practices and pollution prevention | Number of water quality educational events held | 51 | 65 | 65 |
| Increase participation in Tennessee Watershed Roundtable | Number of attendees at the Tennessee Watershed Roundtable | 200 | 250 | 250 |
| • Youth Development | | | | |
| Increase the number of visitors to fairs and exhibitions | Fair/exhibition visitors | 3,102,000 | 3,200,000 | 3,400,000 |
| Increase the number of exhibitors at agricultural fairs | Agricultural fair exhibitors | 138,635 | 140,000 | 142,000 |
| Increase the number of participants at exhibitions | Exhibition participants | 102,000 | 105,000 | 107,000 |
| Increase the number of youth participants at Future Farmers of America events | Future Farmers of America youth participants | 2,145 | 2,200 | 2,200 |

Transportation, Business and Economic Development

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|--|---------------------|------------------------|------------------------|
| Increase the number of youth participants at 4-H events | 4-H youth participants | 68,021 | 68,000 | 68,000 |
| Cultivate interest in Tennessee's agricultural heritage | Number of visitors to the Oscar Farris Tennessee Agricultural Museum | 20,682 | 21,500 | 22,000 |

Tourist Development

• Administration and Travel Promotions

| | | | | |
|---|------------------------------|------------------|------------------|------------------|
| Increase the number of visitors to Tennessee | Number of visitors | 35,700,000 | 35,800,000 | 37,000,000 |
| Increase tax revenues for state and local governments | State and local tax revenues | \$855,000,000 | \$880,000,000 | \$907,000,000 |
| Monitor economic impact of tourism on Tennessee | Travel-generated revenues | \$10,400,000,000 | \$10,700,000,000 | \$11,000,000,000 |
| Provide tourism industry jobs | Tourism employment | 176,900 | 180,400 | 184,000 |

• Welcome Center Operations

| | | | | |
|--|----------------------------|------------|------------|------------|
| Manage 13 full service Welcome Centers | Travelers using facilities | 13,117,000 | 13,000,000 | 13,500,000 |
|--|----------------------------|------------|------------|------------|

• Promote Tennessee

| | | | | |
|--|---|--------|--------|--------|
| Assist members of travel industry in promoting Tennessee | Brochures displayed in Welcome Centers | 3,500 | 3,500 | 3,500 |
| Encourage travelers to stay in Tennessee | Reservations made for travelers by Welcome Center staff | 13,300 | 14,000 | 14,000 |

Economic and Community Development

• National Marketing

| | | | | |
|---------------------------------------|--------------------|-------|-------|-------|
| Make business contacts with companies | Number of contacts | 1,500 | 2,000 | 2,000 |
|---------------------------------------|--------------------|-------|-------|-------|

• International Marketing

| | | | | |
|----------------------------|-------------------------|----|----|----|
| Recruit foreign investment | Number of new companies | 16 | 17 | 15 |
|----------------------------|-------------------------|----|----|----|

• Conferences

| | | | | |
|---|---|-------|-------|-------|
| Heighten awareness of economic development in Tennessee | Number of people attending annual Governor's Conference | 1,200 | 1,000 | 1,000 |
|---|---|-------|-------|-------|

• Small and Minority-Owned Telecommunications Prog.

| | | | | |
|------------------------------------|-------------------------------|---|----|---|
| Increase number of loan guarantees | Number of new loan guarantees | 5 | 16 | 8 |
|------------------------------------|-------------------------------|---|----|---|

• Business Services Administration

| | | | | |
|--|------------------------------|-------|-------|-------|
| Provide and coordinate assistance to Tennessee companies | Number of companies assisted | 1,800 | 2,100 | 2,300 |
|--|------------------------------|-------|-------|-------|

Transportation, Business and Economic Development

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|--|--|---------------------|------------------------|------------------------|
| • Small Business | | | | |
| Expand minority automotive supplier development program | Number of businesses recruited into program | 6 | 8 | 11 |
| Identify additional resources | Number of new small business partners | 3 | 5 | 5 |
| • Manufacturing Services | | | | |
| Increase annual capital investment in Tennessee manufacturing | Capital investment percentage of total investment in Tennessee manufacturing | 63% | 70% | 70% |
| Increase penetration in industrial sector | Company visits | 750 | 850 | 950 |
| • Local Planning Assistance | | | | |
| Provide technical planning assistance to local governments | Local government contract dollars | \$1,448,800 | \$1,162,100 | \$1,162,100 |
| • Federal Energy Grant Programs | | | | |
| Administer and implement federal grant and loan programs | Amount of grant and loan programs | \$1,400,000 | \$2,700,000 | \$2,700,000 |
| Make financially sound energy efficiency loans to local governments in Tennessee | Amount of loans | \$1,000,000 | \$1,250,000 | \$1,250,000 |
| Make financially sound energy efficiency loans to small businesses in Tennessee | Amount of loans | \$2,400,000 | \$2,500,000 | \$2,500,000 |
| • Industrial Training Service | | | | |
| Provide training to Tennessee companies | Number of companies receiving training services | 82 | 84 | 87 |
| • Tennessee Job Skills Program | | | | |
| Provide training to Tennessee companies | Number of companies receiving job skills training | 70 | 65 | 40 |

Transportation

• Administrative Services

| | | | | |
|---|---|--------|---------|---------|
| Clear incidents and assist motorists on the interstate highway system | Number of motorists assisted by the HELP program in the major urban areas | 94,924 | 100,000 | 110,000 |
| Clear incidents and assist motorists on the interstate highway system | Number of times the HELP program provides traffic control assistance in the major urban areas | 35,196 | 45,000 | 50,000 |
| Complete the 1986 Road Program | Percentage of construction completed, underway, or funded | 85% | 87% | 90% |
| Complete transportation construction projects on schedule | Percentage of construction projects open to traffic on schedule | 88.6% | 88.6% | 93% |
| Improve infrastructure quality | Percentage of interstate highway mileage in good or very good condition | 95% | 95% | 95% |

Transportation, Business and Economic Development

Performance Measures and Program Information

| Program Objective | Measure | Actual 2001-2002 | Estimated 2002-2003 | Estimated 2003-2004 |
|---|--|---------------------|------------------------|------------------------|
| Improve the capacity and efficiency of the transportation system | Cumulative number of "choke point" projects let to contract | 63 | 65 | 67 |
| Improve the capacity and efficiency of the transportation system | Cumulative number of "choke point" projects under development | 33 | 38 | 41 |
| Improve the capacity and efficiency of the transportation system | Percentage of county seat connector highways addressed | 54% | 56% | 58% |
| Improve the structural condition and serviceability of state maintained highway bridges | Percentage of bridge deck area that is not structurally deficient or functionally obsolete | 79.9% | 80.4% | 80.9% |
| Improve transportation safety | Number of fatalities on Tennessee highways | 1,126 | 1,109 | 1,109 |
| Improve transportation safety | Number of railroad inspections | 1,544 | 1,550 | 1,550 |
| Improve transportation safety | Percentage of seat belts used in Tennessee | 73% | 78% | 78% |
| Improve transportation safety | Percentage of the 79 public use airports that are licensed by TDOT | 79% | 88% | 90% |
| Inspect bridges | Percentage of bridges inspected (all bridges inspected once every two years) | 52.7% | 47.3% | 50% |
| Maintain and enhance highways | Tons of litter removed | 17,458 | 17,500 | 18,000 |
| Maximize the use of federal highway funds | Percentage of available federal highway funds obligated | 100% | 100% | 100% |
| Plan, program and construct needed roadway infrastructure improvements in Tennessee | Amount of projects let to contract (includes increased federal funding) | \$648,095,839 | \$700,000,000 | \$695,000,000 |
| Prepare a 25 year statewide multimodal transportation planning process | Cumulative percentage of completion | 25% | 50% | 75% |
| Resurface interstate and state highways | Number of lane miles resurfaced (contract lettings) | 2,508 | 2,284 | 2,145 |

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Glossary of Budget Terms

A

ACCENT - A computer system, also known as Automated Client Certification Eligibility Network for Tennessee, which determines eligibility for Food Stamps, Families First, and Medicaid programs.

Agency - Any department, commission, board, authority, government-owned corporation, or other independent governmental entity.

Allotment - Funds established for agency expenditure, in accordance with the appropriations made by the General Assembly.

Allotment Code - The five-digit number used to designate a program or programs for budgeting and accounting purposes.

Appropriation - The amount authorized by the General Assembly to be allocated from a fund to an allotment code. Also, in the context of funding type, the general state revenue allocated to an allotment code by the General Assembly.

Appropriations Bill - Annual legislation authorizing the allocation and expenditure of funds for a two-year period: the year of bill passage and the subsequent year. The Appropriations Bill sets policies, assigns certain responsibilities, and at times specifies legislative intent on certain issues.

Authorized Positions - The maximum number of positions an agency may establish at any given time. Authorized positions must receive legislative approval by legislation, by expansion, or by inclusion

in the Governor's recommended budget document.

B

Base Budget - The estimated expenditures and associated revenues or appropriation necessary to maintain the current level of service or activity.

Basic Education Program (BEP) - The formula that determines the funding level each school system needs in order to provide a basic level of service for all students.

Birth Defects Registry - Database used to monitor and track birth defects.

Brian A. - A settlement agreement, signed in July 2001, which guides the Department of Children's Services through a four and one-half year reform of child welfare services.

Budget Request - The annual spending and revenue plan submitted by each agency for review by the Department of Finance and Administration, the State Comptroller, and the Fiscal Review Committee.

C

Capital Budget - The portion of the budget devoted to proposed additions or maintenance to capital assets and the means of financing those additions.

Capital Maintenance - Major non-routine repairs and replacements unrelated to new construction. Improvements of this type have a cost of \$100,000 or more.

Glossary of Budget Terms

Capital Outlay - Expenditures which result in the acquisition of or addition to major fixed assets (e.g., land, buildings, and equipment related to construction).

Capital Projects Fund - The fund used to account for financial resources related to the acquisition, construction, or maintenance of major capital facilities.

Clean Air and Water Acts - Federal laws designed to restore and maintain the nation's air and water supply.

ConnecTen - A Department of Education initiative to provide internet access to all public schools in Tennessee.

Current Services Revenue - Program funds generated by a specific activity to support that activity. This includes fees and assessments, gifts, and interest from reserves or endowments (e.g., licenses, permit and certificate fees, inspection fees).

D

Debt Service - Expenses for principal, interest, and discounts on bonds and other types of borrowed money.

Debt Service Fund – Funds used to retire bonds in an orderly process over the bonds life. Each year, the state sets aside a sum of money equal to a certain percentage of the total bond issue.

E

Earmarked Revenue - Funds that are legislatively limited in how they can be expended.

Econometric Model - A quantitative forecasting method used to project revenues

based on historical data and growth estimates for the economy.

Education Trust Fund - The fund into which all revenues earmarked and allocated exclusively for educational purposes are deposited.

EEO - Also known as equal employment opportunity. Policies and procedures enacted by Department of Personnel to comply with federal laws governing fair employment practices as provided in the Equal Employment Opportunity Act.

EMS - Also known as emergency medical services. Provides pre-hospital emergency medical care and medical transportation systems, primarily ambulatory services.

ETOMIS - A windows based version of TOMIS.

Environmental Protection Fund (EPF) - A fund administered by the Department of Environment and Conservation whose purpose is to improve performance in permitting, monitoring, investigation, enforcement, and administration of the department's function under each regulatory program.

F

Facilities Revolving Fund - A self-perpetuating fund for the maintenance and renovation of state-owned buildings and the leasing of office space.

Families First - This program, administered by the Department of Human Services, replaces Aid to Families with Dependant Children (AFDC) and provides time-limited cash grants, education, job training, child care, employment assistance, and transitional benefits to poor or low

Glossary of Budget Terms

income Tennesseans in order to reduce or eliminate welfare dependency.

Federal Funds - Funds received from federal government agencies for the support of programs at state and local levels. Federal funds are received by way of block grants, entitlement programs, and specific grants.

Federal Mandates - A provision of federal law or regulation which requires state government implementation. This includes the creation of new programs, changes in existing programs, and increases in state financial participation in jointly funded federal programs.

Fiscal Year - A 12-month accounting period; in Tennessee, July 1 through June 30.

Full-time Equivalent (FTE) Enrollment - A standard measure of student enrollment designed to equate part-time students to full-time students on the basis of total hours of course work for which they are registered.

Fund - A repository of money set aside for a specific purpose.

Fund Balance - Excess of the assets of a fund over its liabilities and reserves.

G

Gateway Tests – Tests for Algebra I, Biology, and English II required for high school graduation beginning in the 2001-2002 school year.

Geier Desegregation Settlement – In January 2001, a settlement agreement in the Geier higher education desegregation lawsuit was approved by the U.S. District Court in Nashville. Implementation of the

agreement will result in the final resolution of the lawsuit that was filed in 1968.

General Fund - The fund maintained by the Treasurer into which revenues collected by the state, other than highway taxes, are deposited for appropriation by the General Assembly to support the operation of state agencies.

Geographic Information System (GIS) – A computer-based system for managing spatial data and mapping applications. Spatial data includes roads, elevation data, streams and lakes, imagery, and parcel boundaries.

Guardian Ad Litem - Program where attorneys are appointed as guardians for dependent, neglected and abused children.

H

Healthy Start – Administered by the Department of Health, this program targets first-time parents and places emphasis on health promotion and child abuse prevention.

Highway Fund - The fund maintained by the Treasurer into which certain revenues collected by the state are deposited for appropriation by the General Assembly to the Department of Transportation. Revenues generated mostly from petroleum-related taxes comprise the Highway Fund.

Homeland Security Trust Fund - A fund to be used in the event of an emergency for the security of state property, buildings, and personnel.

Glossary of Budget Terms

I

IGT – Also known as Intergovernmental Transfer. In this document, the abbreviation “IGT” means revenue collected as state tax revenue from a city or county government.

Improvements - Increases in departmental budgets needed to implement mandated requirements, compensate for revenue reductions, initiate new programs, or enhance the base level.

Interdepartmental Revenue - Revenue received by one entity of state government from another entity of state government. These funds are received as reimbursement of shared costs, as a grant, or as some other inter-agency agreement.

N

NAIC – Also known as the National Association of Insurance Commissioners. This organization provides policy development and technical support to state insurance regulators.

National Science Foundation (NSF) – An independent agency of the U.S. government, established by the National Science Foundation Act of 1950. The NSF funds research and education in science and engineering.

Ned McWherter Scholars Program – Encourages outstanding Tennessee high school graduates to attend college in Tennessee by offering scholarships.

Non-Recurring Funds - Funds that are appropriated to be used for a one-time expense.

O

Operating Budget - That money which is necessary to maintain a program, excluding the cost of capital construction.

Other Revenue - A collection of funding sources, excluding state appropriations and federal funds. These funding sources are generally from local governments, current services, and interdepartmental activities.

Over-appropriation - The anticipated savings resulting from position vacancies and other unexpended funds.

Overlaps - Term used when multiple people occupy one established position.

P

Performance Measure – A quantitative or qualitative tool that is used to gauge progress toward attaining a program goal or objective.

Presidential Preference Primary - A primary election to be held in March 2004.

Program - Any of the major activities of an agency expressed as a primary function.

R

Rainy Day Fund - A fund established to ensure stability in the event of an extended economic downturn (also referred to as the Revenue Fluctuation Reserve Fund).

Reappropriation - The extension of the termination date for the availability of appropriated money.

Reclassification - A change in the duties and responsibilities of a state employee’s job.

Glossary of Budget Terms

Recommended Funds - The funds proposed by the Governor for legislative approval, including the base budget and improvements.

Recurring Funds - Funds that are appropriated on an ongoing basis.

Renal Dialysis - The application of the principles of dialysis for the treatment of renal failure.

Reserve Funds - Funds held for future needs or a special purpose.

Reversion - The return of the unused portion of an appropriation to the fund from which the appropriation was made.

Revolving Fund - A fund provided to carry out a cycle of operations. The amounts expended from a fund of this type are restored by earnings from operations or by transfer from other funds. Thus, the fund is always intact in the form of cash, receivables, inventory, or other assets.

S

SBE – Also known as the State Board of Education. This board serves as the governing and policy making body for the Tennessee system of public elementary and secondary education.

Second Injury Fund – A fund providing money for judgements against the State of Tennessee and for legal costs awarded by the state in order to encourage employers to hire workers with prior injuries or disabilities.

Section 8 – A federally funded rental subsidy program offered through the Tennessee Housing Development Agency

for individuals and families with very low income.

Sinking Fund - See Debt Service fund.

Special Schools - Schools operated by the state Department of Education to provide educational opportunities in residential settings for legally blind, deaf, and multi-disabled children ages preschool to 21, and to provide a model rural high school.

Supplemental Appropriation - Additional appropriations to the original allotment authorized by the General Assembly after the beginning of the fiscal year.

T

TANF - Also known as Temporary Assistance for Needy Families. Administered by the Department of Human Services, this program provides cash grants for families with financial need and dependent children deprived of support or care.

Taxpayers' Budget - A section of the budget that shows expenditures that are from state-generated tax revenue.

Tax Structure Study Commission - Created July 4, 2002 to perform a comprehensive study of the tax structure in Tennessee.

TCSES – Also known as the Tennessee Child Support Enforcement System. This is a computer system that acts as the central collection and disbursement system for child support payments.

THEC – Also known as Tennessee Higher Education Commission. This commission provides coordination, communication, policy analysis, and financial

Glossary of Budget Terms

recommendations for the University of Tennessee System and the Tennessee Board of Regents System.

TLDA – Also known as Tennessee Local Development Authority. This authority is given the responsibility of issuing bonds and notes to provide funds to local governments and certain other entities for projects related to economic development and specific environmental and public health concerns.

TOMIS - Also known as the Tennessee Online Management Information System. TOMIS is a database containing all convicted felons.

TRICOR - Also known as Tennessee Rehabilitative Initiative in Correction. This agency administers the prison industry and farm program.

TRUST - Also known as the Title and Registration User System of Tennessee. A computer system that will automate title processing between county clerks, the general public, and the Department of Safety.

TSAC - Also known as Tennessee Student Assistance Corporation. This state agency administers state and federal financial aid to students in higher education.

W

West Tennessee River Basin Authority - Preserves the natural flow and function of the Hatchie, Obion, and Forked Deer river basins.

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State of Tennessee

The Budget

Fiscal Year 2003 - 2004

Phil Bredesen, Governor

Department of Finance and Administration

M. D. Goetz, Jr., Commissioner

Gerald Adams, Deputy Commissioner

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